

ICCR'S

2022

PROXY RESOLUTIONS
& VOTING GUIDE



INTERFAITH
CENTER ON
CORPORATE
RESPONSIBILITY



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2021 Executive Summary

Who We Are

CCR’s distinguished record of achievement in shareholder engagement over the past five decades has led to meaningful changes in corporate policies and practices that impact people and planet. Our global membership comprises a diverse community of investors— faith institutions, labor unions, pension funds, asset managers, foundations and other institutional investors—who collectively represent over US\$4T in assets under management. Our members use their leverage as shareholders in some of the world’s most powerful corporations to catalyze change on critical environmental and social issues, including human rights and worker rights, the climate crisis, racial justice, and health equity, as well as a range of cross-cutting governance risks including corporate lobbying and political spending. Our guiding principle as shareholders is that sustainable corporations must look beyond the next earnings report to account for the full impact of their businesses on society, and must view the well-being of all of their stakeholders — including their workers and the communities where they operate — as integral to their long-term success.

We are grateful to be able to count on the expertise and experience of an ever-growing network of civil society allies and other stakeholders, and know that our work is not possible without these partnerships.

We stand at a pivotal moment in time, faced as we are with an overwhelming series of challenges and systemic risks that no one organization can hope to address on its own; we hope you’ll consider joining us. To see the full list of our investor members, visit: <https://www.iccr.org/membership/iccr-members>.

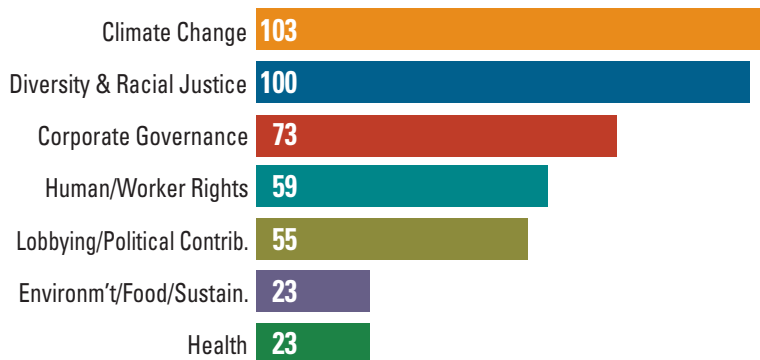
2022 Proxy Season Overview

This guide presents the 436 ICCR member-sponsored resolutions — both as lead- and co-filer — filed for 2022 corporate proxies, as of February 16. The majority of these proposals will go to a vote at company annual meetings this spring. Some, however, have been challenged by companies or withdrawn by their proponents; we indicate the current status of proposals as of the date of publication in the ICCR Member Resolutions by Company section, which begins on page 7.

If you are an investor, we invite you to read the proposals that follow and vote your proxies in support. **Un-voted proxies are considered abstentions and are counted as votes for management, so we strongly urge you to practice active ownership by voting your proxies every year.**

To see the full list of the investors that filed the resolutions contained in this Guide, please visit p. 281.

Resolutions by Issue



Key Context

Changes at the SEC Impacting Shareholder Rights

This past January, significant changes to SEC rule 14a-8 went into effect. The rule changes, promulgated under the prior administration, raised the stock ownership thresholds needed to file a shareholder proposal; raised the voting thresholds for resolutions to be eligible for resubmission; and put up other barriers to the filing of resolutions. These changes were prompted by years of lobbying by powerful industry trade groups seeking to limit shareholders' voice in corporate decision-making. ICCR, along with As You Sow and James McRitchie, have filed a complaint against the SEC under the Administrative Procedure Act that seeks to vacate these changes.

Increasing Support for our Members' Proposals

Last year saw a record number of ICCR-member proposals — 23 — winning majority support, seven of which won votes in excess of 90 percent. Majority votes are extremely difficult to achieve for a variety of reasons. The majority of shareholders don't vote their proxies and abstentions are generally counted for management. In some cases shares are concentrated in the hands of corporate founders, reducing shareholders' leverage. In addition, many institutional investors retain proxy advisory firms to vote their shares and these firms often side with management. The biggest fund managers also have not historically supported most proposals on ESG topics (but this is slowly changing).

Recommendations from proxy advisory services ISS and Glass Lewis, as well as proxy support from major funds such as BlackRock, Vanguard, and State Street, are major determinants of vote outcomes.

ICCR members have had increased success in persuading proxy advisors of the merits of their

proposals. BlackRock, for instance, supported nearly a third of ICCR member-led proposals that appeared on 2021 proxies, a significant increase from the 5 percent it supported in 2020.

This support is having a clear impact on vote outcomes as ICCR member proposals winning 30 percent or greater is rising. Last year half of all member resolutions going to a vote (81 resolutions) reached or surpassed the 30 percent threshold, a clear increase over 2020 which saw 60, and over 2019, which saw 52. Average votes across all proposals in 2021 was 32 percent, also up from the previous year.

This growing support is a clear indication that our members' concerns about environmental and social impacts and sound corporate governance are becoming more broadly shared by mainstream investors who increasingly view the risks that ICCR members raise as material.

We expect these trends to continue this AGM season.

Noteworthy 2022 Trends

A Note About the Sharp Increase in 2022 Filings

Despite the restrictive changes to rule 14a-8, to date our members have filed a record-breaking 436 resolutions in 2022 compared with 244 at this time last year. That number is expected to grow as additional resolutions are filed through the spring. While many of our members did increase the number of proposals they filed in 2022, some of this increase is also due to new members joining our ranks.

The Climate Crisis and Racial Justice Dominate Investor Concerns

Resolutions addressing the climate crisis and racial justice and diversity, equity and inclusion (DEI) were the most numerous, with 103 and 101 proposals respectively. Climate-focused proposals are up 88 percent versus a year ago,

while racial justice/DEI proposals increased 60 percent. Filings calling for corporations to align their lobbying activities with the goals of the Paris climate accord more than doubled this year. Another group of climate-focused proposals pressed top U.S. banks and insurers to reduce their fossil fuel financing and underwriting. New climate-focused resolutions called for audited reports on the impact of a net-zero by 2050 scenario, for aligning retirement plans with climate goals, and expressed concern about the use of carbon credits.

This growth of filings focused on racial justice and DEI is largely due to a group of 32 resolutions calling for companies to conduct racial equity (REAs) and civil rights audits (CRAs). Last year SOC Investment Group and the Service Employees International Union (SEIU) filed an initial set of proposals calling for REAs and CRAs assessing the impacts of company products, services, and practices on non-white stakeholders and communities of color. This year, the number of proposals in this group more than tripled.

An Increased Focus on the Rights of Workers

As BlackRock’s Larry Fink wrote in his 2022 letter to CEOs, “No relationship has been changed more by the pandemic than the one between employers and employees.” This year there is a large group of proposals focused on worker rights, tackling a range of issues including the provision of paid sick leave and a living wage, to employee misclassification, competitive employment standards, employee turnover, freedom of association and risks from the use of temporary workers. Several called for inclusion of hourly employee voices on boards of directors.

Tech Sector Concerns Proliferate

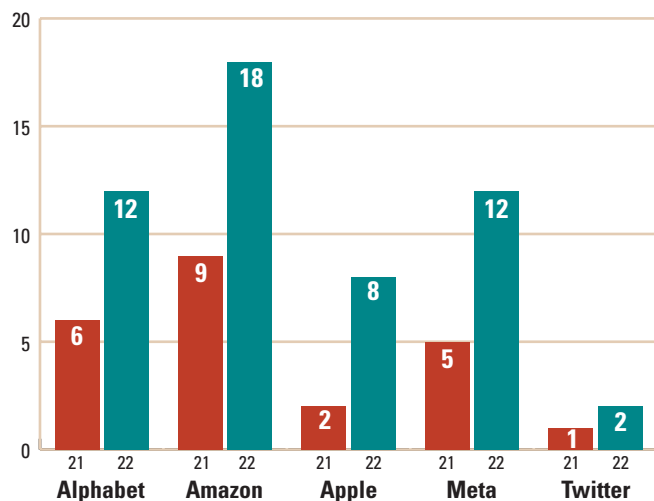
Given their unparalleled influence and concentrated control of communications platforms, tech companies can cause and be directly linked to a host of human rights and digital rights harms. Harms range from the use of surveillance technology, to breaches in data privacy, and the spreading of misinformation and discrimination harms as a result of algorithms used to collect data, manage content, and target users with advertising. Together with the Investor Alliance for Human Rights, ICCR members sharply ramped up their engagements with the tech sector, filing a total of 52 proposals at Meta (Facebook), Alphabet, Amazon, Twitter, IBM, Netflix, Salesforce and Yelp, nearly double the amount filed in 2021. Amazon challenged 11 of its 18 resolutions with “no action” requests, while Meta challenged six of its 12. Alphabet challenged five out of 12, and Apple four out of eight.

Corporate Political Activities Come Under Increased Scrutiny

While many of this year’s lobbying and political spending proposals followed a familiar format with calls for detailed disclosure and transparency on corporate lobbying and spending, several new resolutions focused more on driving alignment

Human and Digital Rights Risks Inherent in the ICT Sector

ICCR members sent tech companies Alphabet, Amazon, Apple, Meta (Facebook) and Twitter 52 resolutions on a variety of ESG concerns:



New Topics this Year

(With lead filers)

Address Wealth Inequality through an Ownership Culture: Corporate Governance

Algorithm Disclosures: Trillium Asset Management

Align Retirement Plan options with Climate Action Goals: As You Sow

Asset Management Policies and Diversified Investors: Corporate Governance

Audited Report on Impact of Net-Zero by 2050 Scenario: As You Sow, CalSTRS, Christian Brothers Investment Services, Presbyterian Church (USA), Sierra Club Foundation

Covid19 Vaccine Technology Transfer: Oxfam America

Competitive Employment Standards: Sisters of the Presentation of the BVM, SHARE, United Church Funds

Costs of Low Wages and Inequality: Corporate Governance

Curtail Activities that Externalize Social and Environmental Costs: Corporate Governance

Data Centers in Human Rights Hotspots: SumOfUs

Direct Methane Measurement: Mercy Investment Management, Unitarian Universalist Association

Disclose Use of Carbon Credits: As You Sow

Employee Misclassification: International Brotherhood of Teamsters

External Costs of Misinformation: The Shareholder Commons

Freedom of Association: SHARE

Ghost Guns: State of Rhode Island

Human Rights Risks of Financialization of Housing: B.C. General Employees Union

Lobbying Alignment: CommonSpirit Health, Maryknoll Sisters, Mercy Investment Management, SHARE

Racial Justice and Food Equity: American Baptist Home Mission Society

Reincorporate with a Deeper Purpose: Corporate Governance

Right to Repair: Green Century Capital Management

Risks Associated with Use of Concealment Clauses: Clean Yield Asset Management, Nia Impact Capital, Whistle Stop Capital

Risks from Use of Temporary Workers: AFL-CIO

Shift from Virgin to Recycled Polymer: As You Sow

Starting Pay and Racial Equity: Franciscan Sisters of Perpetual Adoration

between a company's political activities and its stated core values and public commitments on key issues. One area of deep investor concern is the deleterious impacts of corporate political contributions on the health of our democracy, particularly in the channeling of corporate funds to politicians and political organizations championing voter suppression efforts at the state level.

Investors Introduce New Themes and New Approaches

New resolution topics are also up sharply this year at 25, more than double last year. New topics include carbon credits, competitive employment standards, and ghost guns.

Withdrawals for Agreement and SEC Challenges

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, or the withdrawal criteria set by the filers, filers may choose to voluntarily withdraw the resolution, in which case it does not appear on the company's proxy statement.

Every year ICCR members negotiate over one hundred of these successful agreements with companies directly related to their resolutions. 2022 looks to be another strong year for ICCR members with 46 agreements for meaningful change already negotiated at the time of publishing. Thirteen of these were achieved for DEI/RJ resolutions and 16 for climate-focused resolutions. The number of withdrawals is expected to grow in the coming months.

82 proposals have so far been challenged by companies and are currently being adjudicated by the SEC. Our members win the majority of these contests each year, and lost only 27 last year.

ICCR Member Resolutions by Company

Company	Resolution	Status	Page
2U, Inc.	Majority Vote	Pending	94
3D Systems Corporation	Racial and Gender Board Diversity Report	Pending	144
3M Company	CEO Compensation to Weigh Workforce Pay	Challenged	85
	External Environmental Costs	Pending	72
Abbott Laboratories	Lobbying Expenditures Disclosure	Pending	249
	Public Health Costs of Antimicrobial Resistance	Pending	182
AbbVie	Anticompetitive Practices	Challenged	180
	Lobbying Expenditures Disclosure	Challenged	249
	Political Contributions Misalignment	Pending	268
Activision Blizzard, Inc.	EEO-1 disclosure	Pending	146
	Greater Disclosure of Material DEI Data	Pending	140
	Include Non-Management Employees on the Board	Pending	203
Advance Auto Parts, Inc.	Political Contributions	Pending	276
Agilent Technologies	Right of Shareholders to Call Special Meetings	Pending	103
Air Products & Chemicals	Set Emission Reductions Targets for Scopes 1-3	Agreement	68
Alarm.com Holdings, Inc.	Shareholder Proxy Access	Pending	87
Allegheny Technologies	Net-Zero Climate Targets	Withdrawn	66
Alphabet, Inc.	Algorithm Disclosures	Challenged	221
	Data Operations in Human Rights Hotspots	Challenged	213
	Give Each Share an Equal Vote	Pending	93
	Government-Mandated Content Removal Requests	Challenged	218
	Human Rights Impact Assessment	Challenged	224
	Lobbying Expenditures Disclosure	Pending	247
	Paris-Aligned Climate Lobbying	Pending	23
	Racial and Gender Board Diversity Report	Challenged	143
	Racial Equity Audit	Pending	113
	Right to Repair	Pending	106
	Risks Associated with Use of Concealment Clauses	Pending	154
Altria Group, Inc.	Water Management Risks	Pending	78
	Civil Rights Audit	Pending	124
	Lobbying Expenditures Disclosure	Pending	249
Amazon.com, Inc	Address Wealth Inequality Through an Ownership Culture	Challenged	83
	Adopt Paid Sick Leave Policy	Withdrawn	195
	Amazon 401(k) Climate Alignment	Challenged	76
	Customer Due Diligence	Pending	231
	Employee Turnover	Challenged	202

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Company	Resolution	Status	Page
Amazon.com, Inc	Freedom of Association	Pending	200
	Gender and Racial Pay Gap	Pending	148
	Hourly Employees on Board of Directors	Pending	206
	Independent Board Chair	Challenged	88
	Lobbying Expenditures Disclosure	Challenged	248
	Paris-Aligned Climate Lobbying	Challenged	23
	Racial Equity Audit	Challenged	114
	Reduce Plastics Use	Pending	159
	Rekognition - Facial Recognition Technology	Pending	215
	Risk Report on Staffing	Challenged	211
	Risks Associated with Use of Concealment Clauses	Challenged	154
	Tax Transparency	Challenged	108
	Worker Health and Safety Audit	Challenged	207
Amedisys Inc.	Disclose Short, Medium & Long-Term GHG Reduction Targets	Pending	57
American Airlines Group	Paris-Aligned Climate Lobbying	Pending	25
American Express Co.	Greater Disclosure of Material DEI Data	Agreement	135
American International Group, Inc.	Greater Disclosure of Material DEI Data	Pending	135
	No Underwriting of New Fossil Fuel Supplies	Pending	40
	Paris-Aligned Climate Lobbying	Pending	23
American Water Works Company	Disclose Medium & Long-Term GHG Reduction Targets	Pending	62
	Racial Equity Audit	Pending	119
Amerisource Bergen	Executive Incentive Compensation - Compliance Costs	Pending	98
Amgen Inc.	Lobbying Alignment	Pending	266
	Paris-Aligned Climate Lobbying	Pending	25
	Political Contributions Misalignment	Pending	268
Antero Resources	Direct Methane Measurement	Pending	69
Anthem, Inc.	Racial Equity Audit	Pending	119
Apple Computer, Inc.	Gender and Racial Pay Gap	Pending	151
	Racial Equity Audit	Pending	115
	Reincorporate with Deeper Purpose	On Proxy	84
	Report on Forced Labor	On Proxy	235
	Right to Repair	Agreement	105
	Risks Associated with Use of Concealment Clauses	On Proxy	154
	Shareholder Proxy Access	Withdrawn	87
	Transparency Reports	On Proxy	223
Archer-Daniels-Midland Company	Measuring Pesticide Use in Agricultural Supply Chains	Pending	169
AT&T Inc.	Align Stated Values & Polit. Spending	Pending	267
	Political Contributions Misalignment - Racial Justice	Withdrawn	274

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Company	Resolution	Status	Page
Axon Enterprise Inc	Annual Board Election	Pending	92
B&G Foods, Inc.	Measuring Pesticide Use in Agricultural Supply Chains	Pending	169
Badger Meter Inc.	Foster Greater Racial Equity on the Board	Challenged	141
Bank of America Corp.	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	33
	CEO Compensation to Weigh Workforce Pay	Agreement	85
	Financing Consistent with IEA Net-Zero 2050 Scenario	Pending	31
Bank of Montreal	Financing Consistent with IEA Net-Zero 2050 Scenario	Pending	29
	Human Rights Risks of Financialization of Housing	Pending	212
Bed Bath & Beyond Inc.	Chemical Management	Pending	168
Berkshire Hathaway Inc.	Greater Disclosure of Material DEI Data	Pending	138
	Measure, Disclose & Reduce GHG Emissions/ Underwriting	Pending	42
Best Buy Co., Inc.	Employee Misclassification	Challenged	210
	Gender and Racial Pay Gap	Pending	149
Biogen, Inc.	Lobbying Expenditures Disclosure	Pending	249
BJ's Restaurants, Inc.	Adopt Short, Medium & Long-Term Science-Based GHG Reduction	Pending	51
BJ's Wholesale	Adopt Short, Medium & Long-Term Science-Based GHG Targets	Pending	51
BlackRock, Inc.	Curtail Activities that Externalize Social and Environmental Costs	Challenged	101
Boeing Company	Disclosure of Net-Zero GHG Indicator Progress	Pending	63
	Lobbying Expenditures Disclosure	Pending	261
	Shareholder Ratification of Termination Pay	Pending	96
Bristol-Myers Squibb Company	CEO Compensation to Weigh Workforce Pay	Agreement	85
	Independent Board Chair	Pending	89
Cactus, Inc.	Racial and Gender Board Diversity Report	Agreement	142
Caterpillar Inc.	Disclose Interim & Long-Term GHG Reduction Targets - Sc1-3	Pending	59
	Human Rights Risks in Conflict-Affected and High-Risk Areas	Pending	233
	Lobbying Expenditures Disclosure	Pending	250
Cathay General Bancorp	Sustainability Reporting	Pending	172
Celldex Therapeutics, Inc.	Shareholder Proxy Access	Withdrawn	87
Cerner Corporation	AI Fairness, Accountability and Transparency	Agreement	188
Charles River Laboratories Int'l	Shareholder Proxy Access	Withdrawn	87
Charles Schwab Corporation	Disclose Plans and Policies Aligned w/ Achieving Racial Equality	Withdrawn	131
	Lobbying Expenditures Disclosure	Pending	247
	Greater Disclosure of Material DEI Data	Withdrawn	140
	Shareholder Proxy Access	Pending	87
Charter Communications, Inc.	EEO-1 Disclosure	Pending	146
	Greater Disclosure of Material DEI Data	Pending	139
	Lobbying Expenditures Disclosure	Pending	255
Cheesecake Factory	Net-Zero Climate Targets	Pending	66

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Company	Resolution	Status	Page
Chemours Company	Titanium Mining Assessment	Pending	164
Chevron Corp.	Adopt GHG Reduction Targets for Scopes 1-3	Pending	52
	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	35
	Direct Methane Measurement	Pending	69
	Lobbying Expenditures Disclosure	Pending	261
	No Business with Governments Complicit in Genocide - Myanmar	Pending	239
	Racial Equity Audit	Pending	123
	Report on Oil and Gas Exploration in the Arctic	Pending	79
Chipotle Mexican Grill, Inc.	CEO Compensation to Weigh Workforce Pay	Pending	85
	Gender and Racial Pay Gap	Pending	148
	Greater Disclosure of Material DEI Data	Pending	140
Chubb Limited	Measure, Disclose & Reduce GHG Emissions / Underwriting	Pending	42
Church & Dwight Co., Inc.	Reduce Plastics Use	Pending	159
CIGNA Corporation	Gender and Racial Pay Gap	Pending	150
	Political Contributions Misalignment	Pending	271
Citigroup	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	33
	No Underwriting of New Fossil Fuel Supplies	Challenged	41
	Respect for Rights of Indigenous Peoples	Pending	156
CME Group, Inc.	Lobbying Expenditures Disclosure	Pending	254
CMS Energy Corp.	Report on Scope 3 GHG Reductions Aligned with Paris Goal	Agreement	54
Coca-Cola Company	External Public Health Impact Disclosure	Challenged	184
Columbia/HCA Healthcare Corp.	Lobbying Expenditures Disclosure	Pending	257
Comcast Corp.	Align Retirement Plan Options with Climate Action Goals	Pending	75
	Racial Equity Audit	Pending	116
	Sexual Harrassment	Pending	155
CorVel Corporation	Racial and Gender Board Diversity Report	Pending	142
Costco Wholesale Corp.	Adopt Short, Medium & Long-Term Science-Based GHG Reduct'n	On Proxy	50
	Phase Out use of Medically Important Antibiotics	Agreement	171
	Political Contributions	Agreement	277
	Racial Justice and Food Equity	On Proxy	185
Coterra Energy	Political Contributions	Agreement	276
CSX Corp.	Political Contributions Misalignment - Racial Justice	Pending	272
CVS Health Corp	Adopt Paid Sick Leave Policy	Challenged	195
	Effect of Junk Food Sales on Diversified Portfolios	Challenged	186
Danaher Corp.	Greater Disclosure of Material DEI Data	Agreement	140
DaVita Inc.	Political Contributions	Pending	275
Deere & Company	Right to Repair	Withdrawn	107
Denny's Corporation	Increase Starting Wages	Pending	196

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Company	Resolution	Status	Page
DexCom Inc.	Shareholder Proxy Access	Withdrawn	87
Dine Brands Global, Inc.	Increase Starting Wages	Pending	196
Disney (Walt) Company / ABC	Gender and Racial Pay Gap	On Proxy	148
	Lobbying Expenditures Disclosure	Pending	254
Dollar General Corporation	Disclose Plans and Policies Aligned w/ Achieving Racial Equality	Pending	130
	EEO-1 Disclosure	Agreement	147
	Improving the Company's Chemical Footprint	Agreement	166
	Racial Equity Audit	Pending	114
Dollar Tree Stores	Competitive Employment Standards, Incl. Wages and Benefits	Challenged	208
	Disclose Plans to Reduce GHG Emissions, Scopes 1-3	Pending	64
Dollarama	Third-Party Staffing Agencies & Collective Bargaining	Pending	201
Dominion Energy	Improve GHG Reduction Targets to Include Scope 3 Emissions	Pending	53
	Political Contributions Misalignment - Racial Justice	Pending	273
Douglas Emmett, Inc.	Lobbying Expenditures Disclosure	Pending	251
Dow Inc.	Impact of Reduced Plastics Demand on Financial Assumptions	Challenged	162
	Racial Equity Audit	Pending	123
DTE Energy	Improve GHG Reduction Targets to Include Scope 3 Emissions	Pending	53
Duke Energy Corp.	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	37
	Improve GHG Reduction Targets to Include Scope 3 Emissions	Pending	53
East West Bancorp	Sustainability Reporting	Withdrawn	172
Ecolab Inc.	Lobbying Expenditures Disclosure	Pending	255
Electronic Arts Inc.	Shareholder Ratification of Termination Pay	Pending	96
Eli Lilly and Company	Anticompetitive Practices	Challenged	180
	Independent Board Chair	Pending	89
	Lobbying Alignment	Challenged	264
	Lobbying Expenditures Disclosure	Challenged	249
	Political Contributions Misalignment	Challenged	269
Enbridge Inc.	Science-Based Net-Zero Target	Pending	67
Entergy Corp.	Audited Report on Impact of Net-Zero Emissions by 2030 Scenario	Agreement	38
	Disclose Plans and Policies Aligned w/ Achieving Racial Equality	Pending	132
Etsy, Inc.	Risks Associated with Use of Concealment Clauses	Pending	154
Eversource Energy	Disclose Plans and Policies Aligned w/ Achieving Racial Equality	Agreement	131
Exact Sciences Corporation	Shareholder Proxy Access	Challenged	87
Exelon Corporation	Greater Disclosure of Material DEI Data	Withdrawn	135
	Lobbying Expenditures Disclosure	Pending	255
ExxonMobil Corporation	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	34
	Impact of Reduced Plastics Demand on Financial Assumptions	Pending	162
	Independent Board Chair	Withdrawn	89

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Company	Resolution	Status	Page
ExxonMobil Corporation	Lobbying Expenditures Disclosure	Pending	262
	Paris-Aligned Climate Lobbying	Pending	26
	Political Contributions	Pending	275
	Report on Low Carbon Business Planning	Pending	48
	Risks from Use of Temporary Workers	Pending	205
FactSet Research Systems	Annual Board Election	Agreement	92
	Shareholder Proxy Access	Vote	87
FedEx Corporation	Paris-Aligned Climate Lobbying	Spring Filing	23
Five Below	Sustainable Accounting on Chemicals Policy	Pending	167
Flowers Foods, Inc.	Political Contributions	Pending	276
Foot Locker, Inc.	Net-Zero Climate Targets	Agreement	66
General Dynamics Corporation	Human Rights Due Diligence	Pending	230
	Anticompetitive Practices	Pending	180
	Independent Board Chair	Pending	90
Gilead Sciences, Inc.	Lobbying Alignment	Challenged	265
	CEO Compensation to Weigh Workforce Pay	Agreement	85
	Financing Consistent with IEA Net-Zero 2050 Scenario	Pending	30
Goldman Sachs Group Inc.	Mandatory Arbitration	Agreement	153
	Racial Equity Audit	Pending	116
	Sustainability Reporting	Withdrawn	172
Green Dot Corporation	Sustainability Reporting	Withdrawn	172
Hartford Financial Services Group	Measure, Disclose & Reduce GHG Emissions / Underwriting	Agreement	42
Hasbro, Inc.	Greater Disclosure of Material DEI Data	Agreement	140
HCA-The Healthcare Company	Net-Zero Climate Targets	Pending	66
Healthpeak Properties Inc.	Lobbying Expenditures Disclosure	Pending	252
Helios Technologies	Disclose Interim & Long-Term GHG Reduction Targets - Sc 1-3	Pending	60
Hershey Company	End Child Labor in Cocoa Production	Challenged	237
Home Depot, Inc.	Adopt Paid Sick Leave Policy	Pending	195
	Foster Greater Racial Equity on the Board	Pending	141
	Gender and Racial Pay Gap	Pending	148
	Racial Equity Audit	Pending	116
Honeywell International Inc.	Environmental and Social Risk	Pending	165
	Paris-Aligned Climate Lobbying	Pending	24
Hormel Foods Corp.	Public Health Costs of Antimicrobial Resistance	Pending	181
Idacorp	Disclose Short, Medium & Long-Term GHG Targets Scopes 1-3	Challenged	56
Illumina	Right of Shareholders to Call Special Meetings	Pending	104
Impinj, Inc.	Shareholder Proxy Access	Pending	87
Intact Financial Corporation	Racial Equity Audit	Pending	117
Intel Corporation	Report on Company Policies That Reinforce Racism	Pending	133

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Company	Resolution	Status	Page
IntercontinentalExchange	Set Diversity Targets	Pending	145
International Business Machines	CEO Compensation to Weigh Workforce Pay	Withdrawn	85
	Risks Associated with Use of Concealment Clauses	Pending	154
Invesco Ltd.	Lobbying Expenditures Disclosure	Pending	250
	Racial Equity Audit	Pending	116
Invitae Corporation	Annual Board Election	Pending	92
Iovance Therapeutics Inc.	Shareholder Proxy Access	Pending	87
IQVIA Holdings, Inc.	Majority Vote	On Proxy	94
J.B. Hunt Transport Services, Inc.	Adopt Short, Medium & Long-Term Science-Based GHG Reduct'n	Challenged	51
J.P. Morgan Chase & Co.	Financing Consistent with IEA Net-Zero 2050 Scenario	Challenged	28
	Mandatory Arbitration	Agreement	153
	Paris-Aligned Climate Lobbying	Agreement	25
	Political Contributions Misalignment	Pending	270
	Report on Net-Zero Absolute Emissions Reduction	Challenged	39
	Strategies to Address Governance Costs	Challenged	102
Jack in the Box Inc.	Reduce Plastics Use	Pending	160
Johnson & Johnson	Access to COVID-19 Products	Challenged	176
	CEO Compensation to Weigh Workforce Pay	Pending	85
	Lobbying Alignment	Pending	263
	Racial Equity Audit	Challenged	119
Kellogg Company	CEO Compensation to Weigh Workforce Pay	Pending	85
Kimberly-Clark Corporation	CEO Compensation to Weigh Workforce Pay	Pending	85
Kinder Morgan, Inc	Negative Impacts of Facility Adjacent to Communities of Color	Pending	127
Kraft Heinz Company	Measuring Pesticide Use in Agricultural Supply Chains	Withdrawn	169
	Reduce Plastics Use	Challenged	159
	Report on Climate Transition & Capital Allocation Plan	Agreement	70
	Water Management Risks	Pending	77
Kroger Co.	Adopt Paid Sick Leave Policy	Pending	195
	Competitive Employment Standards, Incl. Wages and Benefits	Pending	208
	Executive Compensation Tied to Social Factors	Pending	99
	HFC Refrigerants	Pending	71
	Human Rights in Supply Chain - Farmworkers	Pending	236
	Measuring Pesticide Use in Agricultural Supply Chains	Pending	170
	Reduce Plastics Use	Pending	159
Lantheus Holdings Inc.	Shareholder Proxy Access	Challenged	87
LHC Group	Racial Equity Audit	Pending	119
Loblaw Companies Ltd.	Human Rights Impact Assessment	Pending	226
	Uyghur Forced Labour Supply Chain Audit	Pending	240

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Company	Resolution	Status	Page
Lockheed Martin Corporation	Human Rights Impact Assessment	Pending	229
	Paris-Aligned Climate Lobbying	Pending	25
Lowe's	Adopt Short, Medium & Long-Term Science-Based GHG Reduction Agreement	Agreement	49
	Employee Misclassification	Challenged	210
	Gender and Racial Pay Gap	Pending	148
Lululemon Athletica Inc	Greater Disclosure of Material DEI Data	Pending	140
Macy's, Inc.	Disclose Short, Medium & Long-Term GHG Targets Scopes 1-3	Agreement	55
Marathon Oil Corp.	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	35
Marathon Petroleum	Executive Incentive Pay Clawback	Pending	97
	Just Transition	Pending	27
Marriott International, Inc.	Costs of Low Wages and Inequality	Pending	197
Marrone Bio Innovations, Inc.	Annual Board Election	Pending	92
Martin Marietta	Disclose Plans and Policies Aligned w/ Achieving Racial Equality	Pending	131
MasterCard Incorporated	Ghost Guns	Pending	242
MAXIMUS, Inc.	Racial Equity Audit	Pending	116
McDonald's Corp.	Public Health Costs of Antimicrobial Resistance	Pending	183
	Reduce Plastics Use	Pending	159
Merck & Co., Inc.	Access to COVID-19 Products	Pending	176
	Paris-Aligned Climate Lobbying	Pending	23
Meta (Facebook Inc.)	Address Wealth Inequality Through an Ownership Culture	Challenged	83
	Assessment of Metaverse User Risk & Advisory Shareholder Vote	Challenged	214
	Board Oversight of Harmful User-Generated Content	Challenged	217
	Child Sexual Exploitation Online	Pending	238
	External Costs of Misinformation	Challenged	222
	Give Each Share an Equal Vote	Pending	93
	Human Rights Impact Assessment	Challenged	225
	Independent Board Chair	Pending	89
	Lobbying Expenditures Disclosure	Pending	246
	Paris-Aligned Climate Lobbying	Challenged	23
	Performance Review of Audit and Risk Oversight Committee	Pending	216
Risks Associated with Use of Concealment Clauses	Pending	154	
MGE Energy, Inc.	Scope 3 Greenhouse Gas Targets	Agreement	54
Middleby Corporation	Adopt Short, Medium & Long-Term Science-Based GHG Reduction	Pending	51
Moderna	Access to COVID-19 Products	Challenged	176
	Covid19 Vaccine Technology Transfer	Challenged	177
Mondelez International, Inc.	Racial Equity Audit	Pending	117
Monster Beverage Corp	Net-Zero Climate Targets	Pending	66
Moody's Corporation	Extend the Horizon: Incorporate Climate Future in Credit Rating	Withdrawn	45

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Company	Resolution	Status	Page
Morgan Stanley	Financing Consistent with IEA Net-Zero 2050 Scenario	Pending	30
	Mandatory Arbitration	Agreement	153
NanoString Technologies, Inc.	Annual Board Election	Pending	92
nCino Inc.	Majority Vote	Pending	94
NCR Corporation	Shareholder Ratification of Termination Pay	Pending	96
Netflix, Inc.	Greater Disclosure of Material DEI Data	Pending	140
	Lobbying Expenditures Disclosure	Pending	260
NextEra Energy	Greater Disclosure of Material DEI Data	Challenged	135
	Paris-Aligned Climate Lobbying	Pending	25
NiSource Inc.	Disclose Plans and Policies Aligned w/ Achieving Racial Equality	Agreement	131
Northrop Grumman Corporation	Human Rights Impact Assessment	Challenged	228
NRG Energy, Inc.	Paris-Aligned Climate Lobbying	Pending	24
NVIDIA	Address Wealth Inequality Through an Ownership Culture	Withdrawn	83
	Customer Due Diligence	Pending	232
Old Dominion Freight Line	Political Contributions Disclosure	Pending	276
Oracle Systems Corp.	Racial Equity Audit	Pending	116
O'Reilly Automotive, Inc.	Disclose Short, Medium & Long-Term GHG Targets Scopes 1-3	Agreement	57
PayPal	Greater Disclosure of Material DEI Data	Pending	139
	Report on Company Policies That Reinforce Racism	Pending	134
PepsiCo, Inc.	Public Health Costs of Food and Beverage Products	Pending	187
	Rapidly Reduce Dependence on Single-Use Plastic Packaging	Challenged	161
PetMed Express	Address Wealth Inequality Through an Ownership Culture	Pending	83
Pfizer, Inc.	Access to COVID-19 Products	Challenged	176
	Anticompetitive Practices	Challenged	180
	Covid19 Vaccine Technology Transfer	Challenged	178
	Greater Disclosure of Material DEI Data	Challenged	135
	Public Health Costs of Protecting Vaccine Technology	Challenged	179
	Racial Equity Audit	Pending	121
Philip Morris International	Phase Out Production of Health-Hazardous & Addictive Products	Pending	190
Phillips 66	Shift From from Virgin to Recycled Polymer to Reduce Plastic Poll'n	Pending	163
PNC Financial Services Group, Inc.	Risks of Financing Nuclear Weapons	Pending	241
Post Holdings Inc	Report on Increasing Scale, Pace & Rigor of GHG Reductions Efforts	Agreement	74
PPG Industries, Inc.	CEO Compensation to Weigh Workforce Pay	Pending	86
	Political Contributions	Agreement	276
PPL Corporation	Audited Report on Impact of Net-Zero Emissions by 2030 Scenario	Agreement	38
ProLogis	Lobbying Expenditures Disclosure	Pending	253
Proto Labs Inc.	Racial and Gender Board Diversity Report	Pending	144
Quanta Services, Inc.	Lobbying Expenditures Disclosure	Agreement	256

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Company	Resolution	Status	Page
Range Resources Corporation	Direct Methane Measurement	Pending	69
Redfin Corporation	Shareholder Proxy Access	Pending	87
Repligen Corporation	Address Wealth Inequality Through an Ownership Culture	Challenged	83
Republic Services, Inc.	Civil Rights Audit	Pending	125
	Environmental Justice Audit	Pending	128
Restaurant Brands International	Competitive Employment Standards, Incl. Wages and Benefits	Pending	209
	Reduce Plastics Use	Withdrawn	159
Roper Industries, Inc.	Political Contributions	Pending	276
Ross Stores, Inc.	Greater Disclosure of Material DEI Data	Pending	140
	Measure & Begin Reducing Supply Chain GHGs	Pending	65
Royal Bank of Canada	Avoiding Participation in Pollution-Intensive Asset Privatizations	Pending	47
	Human Rights Risks of Financialization of Housing	Pending	212
	Integrity of Sustainable Finance Definition	Pending	43
	No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario	Pending	32
Salesforce.com, Inc.	Greater Disclosure of Material DEI Data	Challenged	140
	Lobbying Expenditures Disclosure	Pending	260
	Risks Associated with Use of Concealment Clauses	Pending	154
SBA Communications Corporation	Adopt Short, Medium & Long-Term S-B GHG Reductions	Pending	51
SEI Investments Company	EEO-1 Disclosure	Agreement	147
Skechers U.S.A.	Disclose Interim and Long-Term GHG Reduction Targets	Pending	59
Snowflake Inc	Majority Vote	Pending	94
Southern Company	Improve GHG Reduction Targets to Include Scope 3 Emissions	Pending	53
	Racial Equity Audit	Pending	116
Southern Copper	Independent Board Chair	Pending	91
Square Inc.	Give Each Share an Equal Vote	Pending	93
Standard & Poor's Global Ratings	Extend the Horizon: Incorporate Climate Future in Credit Rating	Pending	46
Standard Motor Products Inc.	Disclose Short, Medium & Long-Term GHG Reduction Targets	Pending	57
Starbucks Corp.	Inclusion of Employee Voices in Board Level Decisions	Withdrawn	204
State Street Corporation	Asset Management Policies and Diversified Investors	Pending	100
Stericycle Inc.	Civil Rights Audit	Pending	122
STERIS plc	Shareholder Proxy Access	Pending	87
Stryker Corporation	Shareholder Proxy Access	Challenged	87
Sturm Ruger and Company, Inc.	Human Rights Impact Assessment	Pending	227
SVB Financial Group	Racial Equity Audit	Pending	119
Syneos Health	Annual Board Election	Withdrawn	92
Tandem Diabetes Care Inc	Annual Board Election	Agreement	92
Target Corp.	Adopt Paid Sick Leave Policy	Challenged	195
	Gender and Racial Pay Gap	Pending	152

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Company	Resolution	Status	Page
Teledoc Health Inc	Right of Shareholders to Call Special Meetings	Agreement	104
Tesla Inc.	Paris-Aligned Climate Lobbying	Spring Filing	23
	Shareholder Proxy Access	Pending	87
TJX Companies, Inc.	Adopt Short, Medium & Long-Term Science-Based GHG Reduct'n	Pending	49
	Assessing Effectiveness in Preventing Forced/Child/Prison Labor	Pending	234
	Employee Misclassification	Pending	210
Toronto-Dominion Bank	Human Rights Risks of Financialization of Housing	Pending	212
	Integrity of Sustainable Finance Definition	Pending	43
	No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario	Pending	32
	Racial Equity Audit	Pending	118
Tractor Supply Company	Costs of Low Wages and Inequality	Challenged	198
	Disclose Short, Medium & Long-Term GHG Targets Scopes 1-3	Pending	58
Travelers Companies, Inc.	Measure, Disclose & Reduce GHG Emissions / Underwriting	Challenged	42
	Racial Equity Audit	Challenged	119
	Underwriting Police Insurance	Challenged	129
Travelzoo	Shareholder Proxy Access	Pending	87
Twitter	Human / Civil Rights Expert on Board	Pending	220
	Risks Associated with Use of Concealment Clauses	Pending	154
Tyson Foods, Inc.	Racial Equity Audit	Agreement	123
Uber Technologies	Lobbying Expenditures Disclosure	Pending	257
	Paris-Aligned Climate Lobbying	Pending	24
Union Pacific Corporation	Greater Disclosure of Material DEI Data	Pending	137
	Paris-Aligned Climate Lobbying	Pending	23
United Parcel Service, Inc.	Greater Disclosure of Material DEI Data	Pending	136
	Lobbying Expenditures Disclosure	Pending	261
	Paris-Aligned Climate Lobbying	Pending	25
	Report on Balancing Climate Measures and Financial Returns	Pending	44
UnitedHealth Group Inc.	Net-Zero Climate Targets	Pending	66
	Paris-Aligned Climate Lobbying	Pending	23
	Political Contributions Misalignment	Pending	269
Upwork Inc.	Annual Board Election	Agreement	92
Urban Outfitters, Inc.	Employee Misclassification	Pending	210
Valero Energy Corporation	Audited Report on Impact of IEA Net-Zero Emissions by 2050	Pending	36
	Disclose Near & Long-Term GHG Reduction Targets - Scopes 1-3	Pending	61
	Racial Equity Audit	Pending	116
Veeva Systems, Inc.	Racial and Gender Board Diversity Report	Pending	144
Veracyte, Inc.	Annual Board Election	Agreement	92
Verizon Communications Inc.	Racial Equity Audit	Pending	120

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Company	Resolution	Status	Page
Visa Inc.	Greater Disclosure of Material DEI Data	Agreement	140
Walgreens Boots Alliance	Political Contributions	Withdrawn	277
	Public Health Costs Created by the Sale of Tobacco Products	Pending	189
Walmart Stores, Inc.	Lobbying Expenditures Disclosure	Pending	259
	Paris-Aligned Climate Lobbying	Pending	23
	Starting Pay and Racial Equity	Pending	199
Warrior Met Coal Inc	Majority Vote	Pending	95
Waste Management Inc.	Civil Rights Audit	Pending	125
Wells Fargo & Company	Financing Consistent with IEA Net-Zero 2050 Scenario	Pending	30
	Racial and Gender Board Diversity Report	Pending	143
	Racial Equity Audit	Pending	116
	Respect for Rights of Indigenous Peoples	Pending	156
Williams-Sonoma, Inc.	Disclose Use of Carbon Credits	Pending	73
XPO Logistics	Civil Rights Audit	Pending	126
	Lobbying Expenditures Disclosure	Pending	258
Yelp Inc	Report on Failures in Content Governance	Challenged	219
	Shareholder Proxy Access	Agreement	87
Yum! Brands, Inc.	Public Health Costs of Antimicrobial Resistance	Withdrawn	183
Zillow Group	Disclose Interim and Long-Term GHG Reduction Targets	Agreement	59

Climate Change

In the 30 years since the Intergovernmental Panel on Climate Change first warned the world that greenhouse gases (GHG) were dangerously warming the global climate, GHG emissions have increased by 60 percent, and the average global temperature has increased by 1.1° Celsius. In just this past year, we have seen a rapid increase in deadly heatwaves, tropical storms, droughts, and sea-level rise on every continent.

ICCR’s members press corporations to speed the transition to a just, clean energy economy in an effort to reach net-zero GHG emissions by 2050 — including by adopting Paris-compliant,



Climate Change		103	
Proposal Topic	Quantity	Proposal Topic	Quantity
<i>For the full list of investors who filed these resolutions, see p. 281.</i>			
Paris-Aligned Climate Lobbying	20	No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario	2
Disclose GHG Reduction Targets - Scopes 1-3	9	No Underwriting of New Fossil Fuel Supplies	2
Adopt Short, Medium and Long-Term Science-Based GHG Reduction Targets	8	Scope 3 Greenhouse Gas Reductions Aligned with Paris Goal	2
Net-Zero Climate Targets	8	Water Management Risks	2
Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario	7	Avoiding Bank Participation in Pollution-Intensive Asset Privatizations	1
Financing Consistent with IEA Net-Zero 2050 Scenario	6	Balancing Climate Measures and Financial Returns	1
Disclose GHG Reduction Targets	4	Climate Transition & Capital Allocation Plan Alignment with 1.5C Target	1
Improve GHG Reduction Targets to Include Scope 3 Emissions	4	Disclose Use of Carbon Credits	1
Direct Methane Measurement	3	Disclosure of Net-Zero GHG Indicator Progress	1
Measure, Disclose & Reduce GHG Emissions Associated with Underwriting	3	External Environmental Costs	1
Adopt GHG Reduction Targets for Scopes 1-3	2	HFC Refrigerants	1
Align Retirement Plan Options with Climate Action Goals	2	Increasing Scale, Pace & Rigor of GHG Reductions Efforts - Scopes 1-3	1
Audited Report on Impact of Net-Zero Emissions by 2030 Scenario	2	Just Transition	1
Extend the Horizon: Incorporate Climate Future in Credit Rating	2	Low Carbon Business Planning	1
Integrity of Sustainable Finance Definition	2	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



Kate Monahan, Director of Shareholder Advocacy – Trillium Asset Management

In May 2021, the International Energy Agency (IEA) released its Net-Zero by 2050 report, which found that in order to ensure no more than 1.5 degrees of warming, “there is no need for investment in new fossil fuel supply.”

For ICCR investors who have long asked **banks and insurance companies to incorporate climate concerns in their lending and underwriting policies**, the IEA report served as a clear call to action.

After years of shareholder engagement, banks made significant steps forward in their approach to climate in 2021-2022, with several setting interim emissions reduction targets via the Net-Zero Banking Alliance. However, no bank has committed to stop financing fossil fuel expansion, and with the release of the IEA report, banks that continue to finance companies and projects expanding fossil fuel supply risk reputational damage, especially as climate activists begin to raise fossil fuel expansion as a key area of concern.

The same applies to insurance companies which are continuing to underwrite companies and projects that expand fossil fuels. ICCR members filed resolutions at six U.S. and several other international banks, as well as three insurance companies, asking for a policy that helps to ensure financing, lending, or underwriting does not contribute to new fossil fuel supplies.

Ultimately, in order to avoid disastrous consequences, fossil fuel expansion must end as soon as possible, and we are hopeful that these resolutions will move these companies to align their policies with science.

science-based GHG reduction targets for their full value chains (Scopes 1-3) and reducing their methane emissions. Our members are focused on heavy-emitting sectors such as oil and gas and utilities, and on the banks and insurance companies whose lending and underwriting activities play a central role in facilitating the transition to clean energy. Now in its second year, our members’ Paris-aligned climate lobbying campaign, important to ensuring the vital policy needed, has also expanded to include more companies.

This proxy season ICCR members filed a total of 103 resolutions calling for urgent action on the climate crisis, making it the most active filing category this year, slightly ahead of diversity, equity and inclusion resolutions. This marks a major increase from the 54 climate resolutions filed at this time last year.

Versus previous years, the climate section of this year’s Guide is not only exceptionally large but also very diversified in its asks. There are quite a few new resolutions, including proposals calling for **audited reports on the impact of a net-zero by 2050 scenario**; for a **just transition**; for a **report on external environmental costs**; for **aligning retirement plans with climate goals**; while still others expressing concern about the **use of carbon credits**.

Paris-Aligned Climate Lobbying

As the climate crisis deepens, corporate lobbying activities that seek to prevent science-based climate legislation and regulation present major risks for investors. Delays in implementing the Paris Agreement’s decarbonization goals increase the physical damage of climate change and pose systemic risks to the global economy.

In their campaign’s second year, our members asked 19 companies (up from seven) to report on if and how their lobbying activities align with the ultimate goal of the Paris Agreement



Danielle Fugere, *President – As You Sow*

As You Sow’s proposals this year focus on **moving companies to measure and disclose their full range of greenhouse gas emissions; set 1.5 degree, science-aligned reduction targets; and actually achieve emissions reductions in alignment with net-zero goals.** Issues and progress differ from company to company and across sectors.

We filed 17 “net-zero transition” proposals requesting adoption of net-zero and interim targets at a range of companies including Boeing, Ross, O’Reilly, and HCA Healthcare, which all have substantial supply chain or product emissions to be accounted for and addressed. Our Caterpillar CA 100+ Benchmark proposal raises similar net-zero, Scope 3 issues.

To highlight the growing shareholder concern that net-zero by 2050 goals not rely significantly on carbon offsets, we filed a “Carbon Offset Disclosure” resolution at Williams-Sonoma.

At utilities, our proposals focus on Scope 3 disclosure and target setting for natural gas businesses, including proposals at DTE, Dominion, Southern, and Duke. Use of natural gas makes up a large portion of utility emissions, but frequently remains wholly or partially unaccounted for in company targets, leaving investors without necessary information.

Our net-zero proposals at Berkshire, Chubb, Hartford, and Travelers ask insurers to take responsibility for the emissions they help generate through their underwriting and investing activities, similar to prior years’ banking proposals.

Finally, our accounting proposals ask Chevron, Exxon, Valero, and Marathon Oil to account for climate risk in their audited financial statements. Accurate and audited accounting of material climate risk is fundamental to investors’ understanding of company value.

to limit average global warming to 1.5°C, and to disclose their plans to mitigate risks presented by any misalignment. Companies receiving this resolution include **Alphabet, Amazon, Exxon Mobil, JPMorgan Chase, Meta (Facebook), and Uber** among others. Several additional filings are planned for the spring, including at **FedEx** and **Tesla**.

Climate Finance

Financing by banks and insurance companies is helping prolong the dominance of fossil fuels in our energy supply and delay the transition to clean energy. While several major banks have begun to acknowledge their role in exacerbating climate risk, few have so far changed their lending policies to mitigate that risk.

Investors have filed a slate of nine proposals at top U.S. banks, and seven proposals with major insurance companies calling for greater accountability in climate lending. A resolution on financing consistent with the IEA net-zero 1.5°C scenario was filed at **Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo. Bank of America and Citigroup** received resolutions requesting an audited report on impact of IEA net-zero emissions by 2050 scenario. **JPMorgan Chase** also received a proposal requesting a report on absolute emissions reduction aligned with the IEA net-zero emissions by 2050 scenario.

Several Canadian banks, including **Bank of Montreal, Royal Bank of Canada, and Toronto Dominion**, likewise received resolutions addressing financing consistent with a net-zero by 2050 scenario, avoiding bank participation in pollution-intensive asset privatization, and the integrity of the sustainable finance definition.

Just Transition

Investors are seeking a “just transition” to a net-zero economy that addresses the interconnected issues of climate change, racial injustice, public health, and economic inequity by creating an inclusive, stakeholder-driven economy where those most impacted — workers and local communities — are central in its design.

Investors asked **Marathon Petroleum** to report on the social impacts of its climate change strategy on workers and communities.

Disclose Use of Carbon Credits

Shareholders expect companies’ use of carbon credit offsets to align with best practice guidance issued by the Science Based Targets initiative (SBTi) and/or the CA100+ Benchmark. Both emphasize that carbon credits should not be counted toward progress in near-term emissions reductions. Rather, carbon offsets should be used only for neutralizing residual emissions where viable decarbonization technologies do not yet exist.

Investors asked **Williams Sonoma** to disclose its use of carbon credits, including whether the credits are intended to substitute for emissions reductions beyond the company’s current goals.



Water Management Risks

Climate change is exacerbating global water and food security by intensifying extreme weather, droughts and flooding.

Investors asked **Google** to report quantitative water-related metrics by location, including practices implemented to reduce climate-related water risk. They asked **Kraft-Heinz** to identify its total water risk exposure, and its policies and practices to reduce this risk and to prepare for water supply uncertainties associated with climate change.



Paris-Aligned Climate Lobbying

Amazon.com, Inc

Similar resolutions were submitted to Alphabet, Inc, American International Group, Inc, (AIG), FedEx Corporation, Merck & Co., Inc, Meta (Facebook Inc.), Tesla Inc., Union Pacific Corporation, UnitedHealth Group Inc., and Walmart Stores, Inc.

RESOLVED: Shareholders request that Amazon.com, Inc. (Amazon) issue a report (at reasonable cost and omitting proprietary information) that describes if, and how, its lobbying activities align with the Paris Agreement goal of limiting average global warming to 1.5° Celsius above pre-industrial levels. The report should address both direct and indirect lobbying – including trade associations, social welfare or nonprofit organizations – and what actions Amazon has or will take to mitigate the risks associated with misalignments that may be found.

SUPPORTING STATEMENT

Recent UN reports¹ highlight the critical gaps that exist between the stated commitments of national governments versus the actions needed to prevent climate change’s most disastrous outcomes. Companies play a crucial role in empowering policymakers to close these gaps; thus, investors need clear information on how, or whether, companies are taking action to do so.

Increasingly, investors scrutinize² the potential misalignment between stated climate commitments and a company’s policy advocacy (lobbying). Corporate lobbying that is inconsistent with meeting Paris Agreement goals creates regulatory, reputational, and legal risks – both for itself and the broader economy. Furthermore, delays in cutting greenhouse gas emissions and readying societies for negative climate impacts will increase the certainty that systemic risks will harm the global economy.³ Unabated climate change – i.e., business as usual scenarios of 3°C or greater – will have unacceptably far-reaching economic, environmental, and societal implications. As a result, investors across the spectrum view fulfillment of the Paris Agreement as an economic imperative.

Of particular concern, therefore, are industry and policy groups⁴ that represent businesses like Amazon, but – counter to their member companies’ stated climate goals – create barriers to global emission reductions and policy implementation. For example, the Rhodium Group highlighted recent efforts⁵ by industry lobbyists to block climate provisions in the U.S. budget reconciliation package [that] could cost...nearly one billion tons of GHG emission reductions by 2030. A review of Amazon’s disclosed trade association and other memberships⁶ reveals concerning inconsistencies with the prevailing science⁷ and with Amazon’s own actions and commitments related to the Paris Agreement.

For example: Amazon paid for the naming rights of an iconic Seattle arena, and named it Climate Pledge Arena . However, at variance with this bold public proclamation, Amazon’s political engagement statement⁸ notes that it contributes to certain...organizations, many of which engage in indirect lobbying on behalf of the Company...[that the] Company may not agree with... (emphasis added)

Assessing potential climate misalignment and advocacy inconsistencies across Amazon’s various businesses – while articulating a clear approach to addressing any misalignments that may be found – will protect the credibility of Amazon’s leadership efforts on climate change,⁹ and support its renewable energy and net zero emissions goals.

THEREFORE: For the benefit of our Company as well as the common good, we urge a vote FOR this proposal, which seeks a public analysis of Amazon’s lobbying and public policy efforts vis-a-vis alignment with the objectives of the Paris Agreement.

1. www.unep.org/resources/emissions-gap-report-2021
2. www.politico.com/news/2021/04/20/investors-corporate-climate-lobbying-activity-483429
3. www.federalreserve.gov/econres/notes/feds-notes/climate-change-and-financial-stability-20210319.htm
4. <https://influencemap.org/report/The-Carbon-Policy-Footprint-Report-2021-670f36863e7859e1ad7848ec601dda97>
5. <https://rhg.com/research/build-back-better-congress-budget>
6. <https://ir.aboutamazon.com/corporate-governance/Political-Engagement/default.aspx>
7. www.aei.org/politics-and-public-opinion/its-time-to-cancel-the-climate-crisis
8. https://s2.q4cdn.com/299287126/files/doc_downloads/2021/04/2020-Political-Engagement-Statement.pdf
9. <https://sustainability.aboutamazon.com/environment/sustainable-operations/renewable-energy?energyType=true>

Paris-Aligned Climate Lobbying

NRG Energy, Inc.

Similar resolutions were submitted to Honeywell International Inc. and Uber Technologies.

RESOLVED: Shareholders request that the Board of Directors conduct an evaluation and issue a report (at reasonable cost, omitting proprietary information) describing if, and how, NRG Energy Inc.'s (NRG's) lobbying activities (both direct and indirect) align with the ultimate goal of the Paris Agreement to limit average global warming to 1.5° Celsius, and how NRG plans to mitigate risks presented by any misalignment.

SUPPORTING STATEMENT

Scientists assert that greenhouse gas emissions must decline by 45% from 2010 levels by 2030 to limit global warming to 1.5°C.¹

The United Nations Environment Programme reports that critical gaps remain between government commitments and the actions required to prevent the worst effects of climate change.² Companies have an important and constructive role to play in enabling policymakers to close these gaps.

NRG has voiced support for the goals of the Paris Agreement and set science-based emissions targets aligned with the 1.5°C objective. But it is unclear to proponents how NRG's direct lobbying and policy advocacy through trade associations and other politically focused nonprofits align with the Paris Agreement's aims. NRG does not disclose a comprehensive list of its trade association memberships or policy organization involvement. NRG further does not disclose how it resolves any misalignment with such groups, noting: Continued involvement does not imply agreement with all the views expressed by these organizations.³

Of particular concern are trade associations and other politically active organizations that speak for business but too often present forceful obstacles to progress in addressing the climate crisis.

Corporate lobbying that is inconsistent with the Paris Agreement presents increasingly material risks to companies and investors, including systemic risks to our financial systems, as delays in emissions reductions increase the compounding physical risks of climate change, threaten economic stability, and heighten uncertainty and volatility in investment portfolios.⁴ We believe that Paris-aligned climate lobbying, and assessments to ensure alignment, help to mitigate these risks, and enhance the long-term value of companies.

As investors, we view fulfillment of the Paris Agreement's goal as an imperative to discharging our fiduciary duties. We are convinced that unabated climate change will have a devastating impact on political stability and infrastructure, impair access to finance and insurance, exacerbate health risks and costs, disrupt energy availability, and impact the value of our investments. Business as usual climate scenarios of 3-4°C or more are unacceptable and uninvestable.

Investors' focus on the misalignment between companies' policies or commitments and their public policy advocacy has intensified recently,⁵ as has concern regarding broader corporate actions to stall short- and medium-term progress on the Paris Agreement's objectives.

Highlighting selective examples of NRG's or its trade groups' limited actions for emissions progress is insufficient. We support a comprehensive review of corporate lobbying and the degree of alignment with the Paris Agreement's objectives, as well as plans for actions to address any misalignment.

1. <https://unfccc.int/news/updated-ndc-synthesis-report-worrying-trends-confirmed>

2. <https://www.unep.org/resources/emissions-gap-report-2021>

3. <https://www.nrg.com/energy-policy.html>

4. <https://www.occ.gov/news-issuances/speeches/2021/pub-speech-2021-116.pdf?source=email>

5. <https://www.politico.com/news/2021/04/20/investors-corporate-climate-lobbying-activity-483429>

Paris-Aligned Climate Lobbying

NextEra Energy

A similar resolution was submitted to American Airlines Group, Amgen Inc., J.P. Morgan Chase & Co., Lockheed Martin Corporation and United Parcel Service, Inc.

RESOLVED: Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if, and how, NextEra Energy's lobbying activities (directly and indirectly through trade associations and social welfare and nonprofit organizations) align with the Paris Climate Agreement's aspirational goal of limiting average global warming to 1.5 degrees Celsius, and how the company plans to mitigate risks presented by any identified misalignments.

SUPPORTING STATEMENT

According to the most recent Emissions Gap Report from the United Nations Environment Programme (October 2021), critical gaps remain between the commitments of national governments and the actions necessary to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling policymakers to close these gaps.

Corporate lobbying activities that are inconsistent with meeting the goals of the Paris Agreement and holding global warming to 1.5 degrees Celsius over pre-industrial levels, present regulatory, reputational and operational risks to companies. Such policy engagement also presents systemic risks to our economies and markets, as delays in implementation of the Paris Agreement increase the physical risks of climate change, undermine economic stability, and introduce uncertainty and volatility into investment portfolios. We believe that Paris-aligned climate lobbying helps to mitigate these risks and contributes positively to the long-term value of companies.

Of particular concern are trade associations and other politically active organizations that speak for business but, unfortunately, often present forceful obstacles to progress in addressing the climate crisis. When a company presents itself as a proponent of climate action but funds organizations that work against policy solutions, they open themselves up to reputational damage, especially in this age of social media.

As investors, we view fulfillment of the Paris Agreement's agreed goal — to hold the increase in the global average temperature to well below 2°C above preindustrial levels, and to pursue efforts to limit the temperature increase to 1.5°C — as an imperative. We are convinced that unabated climate change will have a devastating impact on our economies, on political stability and therefore on our clients and the value of their portfolios. We see future business as usual scenarios of 3-4°C as both unacceptable and uninvestable.

Although NextEra is a renewable energy leader with a largely positive record on climate-related policy advocacy, it has also reportedly lobbied against certain energy efficiency and renewable energy policies.¹ In 2019, for example, NextEra's Florida Power and Light subsidiary lobbied to reduce Florida's energy reduction goals by 99.9%.²

NextEra also belongs to several trade associations that oppose robust U.S. climate regulation. Although NextEra's CEO reviews trade association positions that may conflict with the company's core strategy, the role of independent directors is unclear.

A thorough evaluation of NextEra's climate lobbying, overseen by independent directors, would help build credibility with investors and policymakers and reduce the risk of policy advocacy that is misaligned with a stable climate and NextEra's best interests.

1. <https://influencemap.org/company/NextEra-Energy/projectlink/NextEra-Energy-In-Climate-Change>

2. <https://www.sun-sentinel.com/business/fl-bz-psc-consumer-rebates-underground-rules-20191105-lhrultclwratrefryu37vuuny-story.html>

Paris-Aligned Climate Lobbying

Exxon Mobil Corporation

RESOLVED Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if, and how, ExxonMobil's lobbying activities (direct and through trade associations) align with the goal of limiting average global warming to well below 2 degrees Celsius (the Paris Climate Agreement's goal). The report should also address the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

SUPPORTING STATEMENT

According to the United Nations Environment Programme's annual Emissions Gap Report (October 26, 2021), critical gaps remain between the commitments of national governments and the actions required to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling policymakers to close these gaps.

Corporate lobbying that is inconsistent with the goals of the Paris Agreement presents significant risks to investors, including systemic risks to our economies, as delays in implementation of the Paris Agreement increase the physical risks of climate change, threaten economic stability and introduce uncertainty and volatility into investment portfolios. We believe that Paris-aligned climate lobbying helps to mitigate these risks, and contributes positively to the long-term value of companies.

Of particular concern are trade associations and other politically active organizations that speak for business but too often present forceful obstacles to progress in addressing the climate crisis.

As investors, we view fulfillment of the Paris Agreement's agreed goal—to hold the increase in the global average temperature to well below 2°C above preindustrial levels, and to pursue efforts to limit the temperature increase to 1.5°C— as an imperative. We are convinced that unabated climate change will have a devastating impact on our economies, on political stability and therefore on our clients, plan beneficiaries, and the value of their portfolios. We see future business as usual scenarios of 3-4°C or greater as both unacceptable and uninvestable.

Exxon's Board has assured us that without exception, the company's lobbying efforts are aligned with its publicly available positions.¹ In June 2021, Greenpeace UK's journalism team published videos of two Exxon lobbyists making statements that appeared to contradict Exxon's public positions on climate policy.² Darren Woods publicly distanced Exxon from the videos. In the wake of the scandal, Exxon's membership in the Climate Leadership Council (CLC) was suspended.³ The CLC was one of only two organizations highlighted on Exxon's website as evidence of its support for Paris-aligned climate policy.⁴

This scandal, which followed a 64% vote for this proposal at Exxon's annual meeting, underscores the need for the report we're seeking. A thorough evaluation overseen by independent directors would help the Company build credibility with investors and policymakers and reduce the risk of policy advocacy that is misaligned with a stable climate.

1. 2020 Proxy Statement (exxonmobil.com)
2. Inside Exxon's playbook - Unearthed (greenpeace.org)
3. Exxon suspended from climate advocacy group it helped form | Reuters
4. Political contributions and lobbying | ExxonMobil

Just Transition

Marathon Petroleum

RESOLVED: The shareholders of Marathon Petroleum Corp. (Marathon), ask the Board of Directors to prepare a report stating how Marathon is responding to the social impact of Marathon's climate change strategy on workers and communities, consistent with the Just Transition guidelines of the International Labor Organization (ILO). The report should be prepared at reasonable cost, omitting proprietary information and be available to investors by the 2023 shareholder meeting.

It should include:

- Marathon's commitment to providing a just transition for its workforce and communities in its plans to address its climate-related risks and opportunities;
- Marathon's plans to address the impacts of its climate change strategy on workers and communities.
- The integration of these concerns into the governance structure, including executive compensation, stakeholder and workforce engagement processes, and
- Board oversight.

SUPPORTING STATEMENT: At the 2021 UN Climate Change Conference, the United States and other governments agreed to the Just Transition Declaration. (<https://ukcop26.org/supporting-the-conditions-for-a-just-transition-internationally/>.)

That Declaration notes the 2015 Paris Agreement underscored the close links between climate action, sustainable development, and a just transition, including the imperatives of a just transition of the workforce and the creation of decent work and quality jobs. The Declaration cites the ILO's 2015 Guidelines For a Just Transition as establish[ing] a global understanding of a just transition as a process towards an environmentally sustainable economy, which needs to be well managed and contribute to the goals of decent work for all, social inclusion and the eradication of poverty. (https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf.)

Guiding Principle E specifies a just transition involves anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development and social dialogue, including the effective exercise of the right to organize and bargain collectively. (https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf.)

The success of this Declaration and the Paris Agreement depend not just on government policies, but also, as the ILO states, on the pivotal role of employers, particularly in carbon intensive sectors.

161 investors, representing \$10 trillion in assets, signed the UN PRI's Statement of Investor Commitment to Support a Just Transition on Climate Change, contending the responsible management of workforce and community dimensions of climate change are increasingly material drivers for value creation. (<https://www.unpri.org/download?ac=10382>.)

UK energy company SSE published a Just Transition report (see <https://www.sse.com/media/n41jiibk/just-transition-supporting-workers-transition.pdf>) stating: The prize of a ... just transition ... is that the actions and investments required to decarbonize energy systems attract long-term public support and legitimacy. SSE identifies principles to address the social impacts of climate change on workers, consumers, communities and suppliers.

Marathon's 2021 Perspectives on Climate-Related Scenarios discusses its strategy for a lower-carbon future, including impacts on capital investment and refining capacity. That report notes, following its scenario analysis, Marathon ceased crude processing at its Gallup, New Mexico, refinery and retooled its Martinez, California, refinery to align with California's climate goals. Absent is discussion of the implications for workers and communities.

Financing Consistent with IEA Net-Zero 2050 Scenario

J.P. Morgan Chase & Co.

RESOLVED: Shareholders request that JPMorgan Chase (JPMC) adopt a policy by the end of 2022 in which the company takes available actions to help ensure that its financing does not contribute to new fossil fuel supplies that would be inconsistent with the IEA's Net Zero Emissions by 2050 Scenario.

SUPPORTING STATEMENT While JPMC has asserted that it is taking comprehensive steps¹ to align with the climate goals of the Paris Agreement, the company's position as a leading financier of fossil fuels conflicts with a scenario in which global warming does not exceed 1.5° C.

For instance, in May 2021, the International Energy Agency (IEA) found that for the world to limit warming to 1.5 degrees Celsius by 2050, effective immediately there is no need for investment in new fossil fuel supply.² The IEA's 1.5 degree scenario does not contemplate new fossil fuel development, but the Company continues to finance it.

Exceeding a 1.5° scenario jeopardizes the global economy. Under current emission trajectories, 10% of total global economic value has been estimated to be lost by 2050.³ Limiting warming to 1.5 versus 2 degrees could save \$20 trillion globally by 2100; exceeding 2 degrees could lead to climate damages in the hundreds of trillions.

To diversified investors, continued support for fossil fuel development threatens long-term portfolio value; for banks, it means increased credit, market, and operational risks.⁴ Even short-term fossil fuel financing contributes to long-term risk: the IPCC's 2021 report confirmed that historic and current emissions have locked in warming for the next two decades.⁵

In May 2021, JPMC released 2030 targets for oil and gas, electric power and autos as part of its Paris-aligned financing commitment. The bank's 2030 targets specify reductions in carbon intensity — that is, greenhouse gas emissions per unit of output. These targets are compatible with expansion of fossil fuels.

The intensity targets do not meet the identified need, over the next decade, to cut global absolute emissions by 45%. JPMC has been identified as the largest funder of companies expanding oil and gas production.⁶ Some of these oil and gas companies have set intensity reduction targets meeting or exceeding what JPMC is calling for, even as they plan continued oil and gas expansion.

Public calls for an end to fossil fuel finance have grown and threaten JPMC's reputation. For example, in September 2021, JPMC and other large banks were named in an op-ed by youth climate activists calling on the banks to stop financing expansion of fossil fuels.⁷

We urge shareholders to vote in favor of this proposal, to encourage JPMorgan Chase align with global efforts to contain climate change.

1. <https://www.businesswire.com/news/home/20210513005492/en/JPMorgan-Chase-Releases-Carbon-Reduction-Targets-for-Paris-Aligned-Financing-Commitment>

2. <https://www.iea.org/reports/net-zero-by-2050> p 21

3. <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html>

4. <https://www.accenture.com/us-en/insights/banking/climate-change-risk-banks>

5. <https://www.nytimes.com/2021/08/09/climate/climate-change-report-ipcc-un.html>

6. <https://www.bankingonclimatechaos.org/>

7. <https://www.teenvogue.com/story/banks-fund-fossil-fuels>

Financing Consistent with IEA Net-Zero 2050 Scenario

Bank of Montreal

RESOLVED: Shareholders request that BMO adopt a policy by the end of 2022 in which the company takes available actions to help ensure that its financing does not contribute to new fossil fuel supplies that would be inconsistent with the IEA's Net Zero Emissions by 2050 Scenario.

Supporting Statement:

Investors welcome BMO's target of net zero emissions by 2050 as well as joining the Partnership for Carbon Accounting Financials and the Net Zero Banking Alliance (NZBA). Investors also welcome BMO's pledge to mobilize \$300 billion in sustainable finance by 2025 and await information about how that connects quantifiably to BMO's emissions reductions targets.

At the same time, BMO is heavily exposed to fossil fuels. The global Banking on Climate Chaos report ranks BMO 16th in the world for fossil fuel lending since the Paris Agreement at a figure of US\$97 billion, including US\$43 billion into fossil fuel expansion.¹ On the investment side, researchers found that from 2015 to 2020, BMO held between CAD\$13.3 billion and CAD\$24 billion in oil and gas investments and between CAD\$3 and CAD\$4 billion in coal investments.²

In 2021, the International Energy Agency (IEA) released its net zero roadmap, concluding, There is no need for investment in new fossil fuel supply in our net zero pathway³ because no new oil and gas fields are required beyond those already approved for development.⁴

The IEA analysis builds on others that show the world already has enough fossil fuels to exceed the carbon budget for 1.5 or 2 degrees of warming, including a study in Nature that found oil and gas production needs to fall by 3% each year until 2050 to meet the goals of the Paris Agreement.⁵

The United Nations Environmental Program Finance Initiative (UNEP-FI), which convenes the NZBA, published recommendations for credible net zero commitments of banks: A financial institution establishing a net-zero commitment should begin aligning with the required assumptions and implications of IPCC 1.5°C no/low overshoot pathways as soon as possible....All no/low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5°C.⁶

BMO has set a precedent of limited fossil fuel exclusions, avoiding financing of exploration and development in the Arctic National Wildlife Refuge and some coal operations more generally. A further exclusion of new fossil fuel supply is required by BMO to be consistent with the math of net zero as defined by the IEA, UNEP-FI and others, and to meet its own emissions reductions targets.

Conversely, continuing to finance new fossil fuels would take BMO further away from its net zero targets, help create more systemic risk affecting its business, and expose the bank to reputational risk as its words and actions diverge.

We urge shareholders to vote FOR this proposal.

1. <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf>

2. <https://www.greenpeace.org/static/planet4-canada-stateless/2021/08/a0d71ee1-canadian-banks-fossil-fuel-financing-greenpeace-canada-july-2021.pdf>

3. <https://www.iea.org/reports/net-zero-by-2050>

4. <https://www.iea.org/reports/world-energy-outlook-2021/executive-summary>

5. <https://www.nature.com/articles/s41586-021-03821-8>

6. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations-for-Credible-Net-Zero-Commitments.pdf>

Financing Consistent with IEA Net-Zero 2050 Scenario

Morgan Stanley

Similar resolutions were submitted to Goldman Sachs Group Inc. and Wells Fargo & Company.

RESOLVED: Shareholders request that the Board of Directors adopt a policy by the end of 2022 committing to proactive measures to ensure that the company's lending and underwriting do not contribute to new fossil fuel development, consistent with fulfilling the United Nations Environmental Program Finance Initiative recommendations to the G20 Sustainable Finance Working Group, and the International Energy Agency's Net Zero Emissions by 2050 Scenario, for credible net zero commitments.

SUPPORTING STATEMENT

Morgan Stanley recognizes that climate change is occurring, and acknowledges the scientific consensus... that greenhouse gases emitted by human activities are the primary driver. We recognize the benefits of helping to reduce greenhouse gas emissions as climate change poses significant risks to the global economy.¹ Morgan Stanley is a member of the Net Zero Banking Alliance (NZBA), for which our CEO committed to align with pathways consistent with a maximum temperature rise of 1.5 degrees Celsius above pre-industrial levels, utilizing decarbonization scenarios from credible and well-recognized sources.²

However, membership in the Alliance does not necessarily equate with alignment with global climate goals. The United Nations Environmental Program Finance Initiative (UNEP FI), which convenes the NZBA, published an Input Paper to the G20 Sustainable Finance Working Group which defines credible net zero commitments of financial institutions, including: A financial institution establishing a net-zero commitment should begin aligning with the required assumptions and implications of IPCC 1.5°C no/low overshoot pathways as soon as possible.... All no/low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5°C.³ Another of the world's most credible sources, the International Energy Agency (IEA), in its Net Zero Emissions by 2050 Scenario (NZE), states that no fossil fuel exploration is required and no new oil and natural gas fields are required beyond those that have already been approved for development.⁴ Morgan Stanley has restricted financing for new coal operations and Arctic drilling, but has no policy to halt financing any new oil and gas exploration and development.

Morgan Stanley is the fifth-highest U.S. financier or facilitator of companies expanding fossil fuels, according to the Banking on Climate Chaos report.⁵

Morgan Stanley faces two associated problems: first, its prominence in asserting climate leadership flies in the face of its actions, creating reputational risk from accusations of greenwashing; second, in underwriting projects which are unneeded under the UNEP FI recommendations or the IEA NZE scenario, it is knowingly loading potentially stranded assets onto its clients' balance sheets, creating litigation risk.⁶ In this regard, investors need to know that Morgan Stanley's lending and underwriting policies are consistent with its own net zero commitment.

1. https://www.morganstanley.com/about-us-governance/Environmental_and_Social_Policy_Statement_December_2020.pdf, at 10.

2. <https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/UNEP-FI-NZB...-Statement.pdf>

3. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations-Zero-Commitments.pdf>, at 15.

4. <https://iea.blob.core.windows.net/assets/88dec0c7-3a11-4d3b-99dc-8323ebfb388b/WorldEnergyOutlook2021.pdf>, at 100.

5. <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos...>, at 38.

6. <https://www.justice.gov/opa/pr/goldman-sachs-agrees-pay-more-5-billion-...>

Financing Consistent with IEA Net-Zero 2050 Scenario

Bank of America Corp.

Climate change is a global challenge that continues to gain widespread attention for its numerous, significant environmental and social impacts. Fossil fuels are hot button political and significant policy issues, because of their impacts on the global climate, local environments, and human rights.

Exceeding 1.5 degrees Celsius presents risks to the economy, investors, and banks' profitability: limiting global warming to 1.5 degrees versus 2 degrees has been projected to save \$20 trillion globally by 2100, and exceeding 2 degrees could lead to climate damages in the hundreds of trillions. Estimates find 10% of total global economic value stands to be lost by 2050 under current emissions trajectories.¹

In 2021, the International Energy Agency (IEA) found that in order to ensure global warming of no higher than 1.5 degrees Celsius by 2100 and net zero emissions by 2050, there is no need for investment in new fossil fuel supply.² Bank of America (BAC) has publicly committed to reach net-zero greenhouse gas emissions by 2050 and to aim to limit warming to 1.5 degrees. Although BAC has restricted financing for Arctic drilling and coal operations, it has not committed to halt financing for all new fossil fuel development that a net-zero commitment requires. According to the 2021 Banking on Climate Chaos report, BAC is the third-highest financier of companies expanding fossil fuels, and has dramatically increased financing for such companies since 2016. BAC acknowledges a range of risks associated with our current levels of fossil fuel financing in its most recent Task Force on Climate-Related Financial Disclosures report, and references efforts to reduce emissions by engaging with clients and accelerating their progress toward low-carbon business models.³ The IEA's 1.5 degree scenario, however, does not allow for any new fossil fuel development, which BAC continues to finance, irrespective of its engagement efforts.

Physical and transition risks from fossil fuel present increased credit, market, reputation, and operational risks to banks. Even short-term financing for carbon intensive activities today contribute to long-term financial and physical risks from climate change in the future: the IPCC's 2021 report confirmed that historic and current emissions have locked in warming for the next two decades.

Public calls for an end to fossil fuel finance have grown, and could threaten BAC's reputation, particularly if BAC is seen as not living up to its publicly stated commitments. For example, in September 2021, BAC and other large banks were called out in an op-ed by youth climate activists engaging in direct action to pressure banks to stop financing the expansion of fossil fuels.⁴

RESOLVED: Shareholders request the Company build upon its net zero commitment by adopting a policy by the end of 2022 in which the company takes available actions to help ensure that its financing does not contribute to new fossil fuel supplies that would be inconsistent with the IEA's Net Zero Emissions by 2050 Scenario.

1. <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html>

2. <https://www.iea.org/reports/net-zero-by-2050>

3. <https://about.bankofamerica.com/content/dam/about/pdfs/task-force-climate-financial-disclosures-report.pdf>

4. <https://www.teenvogue.com/story/banks-fund-fossil-fuels>

No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario

Toronto Dominion

A similar resolution was submitted to Royal Bank of Canada.

RESOLVED: Shareholders request that Toronto Dominion Bank (“TD”) adopt a policy of not financing new fossil fuel supply, including financing of companies exploring or developing undeveloped oil and gas reserves, by end of 2022, across all markets and regions, in alignment with pathways to limit global warming to 1.5C, and report annually to shareholders on its plans and progress towards achieving this goal.

SUPPORTING STATEMENT: Investors recognize TD’s recent climate commitments, including a net-zero by 2050 commitment, in line with the Paris Agreement, with interim targets yet to be released, as well as its membership in the Partnership for Climate Accounting Financials (PCAF). However, TD continues to have significant exposure to fossil fuels. TD is the ninth largest funder of fossil fuels in the world, and the seventh for most funding of new fossil fuel projects since the Paris Agreement was signed in 2015. Additionally, TD lands in the top 40 for funding coal power¹. Continuing to fund fossil fuel companies and projects will ultimately prevent TD from reaching its net-zero commitment unless it makes significant changes.

The IPCC’s 2021 report states that more than a 1.5C warming will have significant impacts on the frequency and severity of extreme weather events², which lead to catastrophic economic, social, health and environmental outcomes.

The International Energy Agency’s (IEA) 2021 report outlining the path to net-zero by 2050 stated that, in order to achieve a maximum 1.5C warming by 2050, there must be no new development of fossil fuel assets of any kind³.

Although TD has committed to not providing any project-specific funding in the Arctic, including the Arctic National Wildlife Refuge, it has not committed to ceasing corporate financing of the fossil fuel companies who could still develop in that region. Corporate financing accounts for 90% of all conventional oil and gas funding⁴, and eliminating direct funding to specific projects does not mitigate the risk of fossil fuel expansion.

COP26 and the Glasgow Financial Alliance to Net Zero call for “smooth but rapid decarbonization”⁵ of the global financial sector. It is critical that TD protect shareholder value by leading the way on rapid decarbonization, through ending financing to new fossil fuel development, and maintain competitive advantage in the Canadian and global banking sectors. The physical and financial risks posed by climate change to long-term investors are systemic, portfolio-wide, unhedgeable and undiversifiable. Therefore, the actions of companies that directly, or indirectly impact climate outcomes pose risks to the financial system as a whole, and to investors’ entire portfolios. In order to manage this systemic portfolio risk, investors must move beyond disclosure and company-specific climate risk management frameworks, and focus on holding accountable the relatively small number of large companies whose actions are a significant driver of climate change.

Adopting a short-term policy to end fossil fuel expansion will help TD meet its net-zero goals while protecting and maintaining shareholder value.

1. <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf>

2. https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf

3. <https://www.iea.org/reports/net-zero-by-2050> pg 21

4. <https://iea.blob.core.windows.net/assets/ef8ffa01-9958-49f5-9b3b-7842e30f6177/WEl2020.pdf> pg 161

5. <https://racetozero.unfccc.int/wp-content/uploads/2021/04/GFANZ.pdf> pg 5

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

Citigroup

A similar resolution was submitted to Bank of America.

RESOLVED: Shareholders request the Board of Directors issue an audited report on whether and how the fulfillment of the United Nations Environmental Program Finance Initiative (UNEP FI) recommendations to the G20 Sustainable Finance Working Group, and the International Energy Agency (IEA)'s Net Zero Emissions by 2050 Scenario (NZE), could affect underlying assumptions in financial filings, such as the magnitude of stranded assets, declining commercial credit quality, or enhanced regulatory capital requirements. The Board should summarize its findings, completed at reasonable cost and omitting proprietary information, to shareholders by January 31, 2023.

Proponents recommend that, in the discretion of board and management, the report be supported by reasonable assurance from an independent auditor and that the report take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted;
- The absence of need, according to UNEP FI and the IEA NZE pathway, for new fossil fuel development beyond projects already committed as of 2021.

SUPPORTING STATEMENT

Citigroup estimates that approximately 23% of total [loan] exposure and 20% of funded exposure are categorized as facing high [climate] transition risk while 15% of total exposure and 18% of funded exposure are categorized as facing high physical risk, including energy-related exposure.¹

Citigroup joined the Net Zero Banking Alliance (NZBA), committing to align with pathways consistent with a maximum temperature rise of 1.5 degrees Celsius above pre-industrial levels, utilizing decarbonization scenarios from credible and well-recognized sources.²

However, Citigroup may not be aligned with global climate goals. The UNEP FI, which convenes the NZBA, published an Input Paper to the G20 Sustainable Finance Working Group which defines credible net zero commitments of financial institutions, including: A financial institution establishing a net-zero commitment should begin aligning with the required assumptions and implications of IPCC 1.5°C no/low overshoot pathways as soon as possible....All no/low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5°C.³ Another of the world's most credible sources, the IEA, in its NZE scenario, states that no fossil fuel exploration is required and no new oil and natural gas fields are required beyond those that have already been approved for development.⁴ Citigroup has restricted financing for new coal operations and Arctic drilling, but has no policy to halt financing any new oil and gas exploration and development. Citigroup is the second-highest financier of companies expanding fossil fuels.⁵

Citigroup faces two associated problems: first, its prominence in asserting climate leadership flies in the face of its actions, creating reputational risk from accusations of greenwashing; second, in underwriting or lending to unneeded projects under the UNEP FI recommendations or IEA NZE scenario, it is loading potentially stranded assets onto its balance sheet or those of its customers. In this regard, investors need to know the extent to which Citigroup's assumptions and financial projections are in conflict with its own net zero commitment.

1. <https://www.citigroup.com/citi/sustainability/data/finance-for-a-climate-resilient-future-2.pdf?ieNocache=548#page57>, at 50.

2. <https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/UNEP-FI-NZBA-Commitment-Statement.pdf>

3. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations-for-Credible-Net-Zero-Commitments.pdf>, at 15.

4. <https://iea.blob.core.windows.net/assets/88dec0c7-3a11-4d3b-99dc-8323ebfb388b/WorldEnergyOutlook2021.pdf>, at 100.

5. <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf>, at 38.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario Exxon Mobil Corporation

WHEREAS: Many policymakers, investors and companies have converged on goals including the need to limit global temperature increase to 1.5° C and to reach net zero global greenhouse gas (GHG) emissions by 2050, if not sooner.¹

The International Energy Agency's Net Zero 2050 Roadmap (NZE) describes an energy sector path for net-zero GHG emissions. According to the IEA, no investment in new fossil supply projects is needed in a net zero scenario and the IEA anticipates oil prices dropping as low as \$36/barrel in 2030 and \$24/barrel in 2050, projecting a negative trend for a fundamental input in developing ExxonMobil's cash flow projections for oil and gas production assets.²

Yet ExxonMobil continues development of new fossil fuel resources, even while acknowledging³ that climate change scenarios pose uncertainties that may lead to impairments. Investors are concerned that the continued development of new fossil fuel resources increases the risk of such future impairments. ExxonMobil's existing, audited annual disclosures do not provide investors with sufficient insight into stranded asset risk related to the energy transition. If climate change impacts the entity, the auditor needs to consider whether the financial statements appropriately reflect this, according to the International Auditing and Assurance Standards Board.

An independent September 2021 analysis⁴ concluded that the financial statements of ExxonMobil lack the requisite transparency about climate-related assumptions and estimates, and company disclosures do not appear to use Paris-aligned assumptions and estimates. In contrast, peers (Royal Dutch Shell, bp, TotalEnergies) released more transparent disclosures in their audited financial statements, articulating the extent of consideration of climate change contingencies and risks.⁵

RESOLVED: Shareholders request that ExxonMobil's Board of Directors seek an audited report assessing how applying the assumptions of the International Energy Agency's Net Zero by 2050 pathway would affect the assumptions, costs, estimates, and valuations underlying its financial statements, including those related to long-term commodity and carbon prices, remaining asset lives, future asset retirement obligations, capital expenditures and impairments. The Board should obtain and ensure publication of the report by February 2023, at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: The proponent recommends the requested report be supported with reasonable assurance from an independent auditor.

Investors with \$103 trillion in assets under management have already called for companies and their auditors to rigorously disclose climate risks in financial reporting, or risk overstatement by failing to integrate impacts on profits and financial positions.⁶

Last year, this topic received 49.4% support of ExxonMobil investors. In light of ExxonMobil's disclosures regarding potential impairments from uncertain climate scenarios depressing product demand, it is urgent for investors to vote in favor.

1. See, for instance, Glasgow Financial Alliance for Net Zero, with over \$130 trillion in assets under management. <https://www.gfanzero.com/press/amount-of-finance-committed-to-achieving...>

2. IEA, World Energy Outlook, October 2021, p. 101.

3. E.g., MD&A: <https://www.sec.gov/ix?doc=/Archives/edgar/data/34088/00000340882100006...>

4. Carbon Tracker with Climate Accounting Project, Flying Blind: the glaring absence of climate risks in financial reporting, Table 2, p. 24.

5. <https://www.sec.gov/Archives/edgar/data/34088/000121465921004380/cg4212...>

6. <https://www.unpri.org/accounting-for-climate-change/investor-groups-cal...>

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

Chevron Corp.

A similar resolution was submitted to Marathon Oil Corp.

WHEREAS: Markets require information to operate and deploy capital effectively. In 2019 and 2020, global and U.S. accounting and auditing standard-setters reiterated that material climate-related risks should be accounted for in company financial statements and audits. Major investor groups, representing assets worth over \$103 trillion, have also called on companies and auditors to fully reflect climate risks to companies' financial results and position.

These concerns reflect a converging consensus by policymakers, investors, and companies on growing climate risk, the need to limit global temperature increase to 1.5° C (net zero global greenhouse gas (GHG) emissions by 2050), and the impact of such actions to companies.

The International Energy Agency's (IEA) Net Zero Scenario describes an energy sector pathway to achieve net zero emissions. The Scenario finds that no new investment in fossil supply projects is needed, and anticipates oil prices dropping as low as \$36/ barrel in 2030 and \$24/ barrel in 2050.

Given these global climate imperatives, to best allocate investments, investors are calling for information to assess the financial impacts of climate-related physical and transition risks on companies and identify companies best positioned to thrive in a low carbon economy. Yet, more than 70% of listed companies, representing some of the world's largest carbon-polluters, are not fully accounting for climate-related risks in their financial statements.

Chevron continues to develop new fossil fuel resources while acknowledging climate related risks that could lead to increased future impairments. Despite the materiality of this issue, Chevron's audited annual disclosures do not currently provide investors with sufficient insight into assumptions used to assess productive assets for impairment and stranded asset risk. Further, an independent 2021 analysis concluded that Chevron's financial statements lack the requisite transparency about climate-related assumptions and estimates, and that the company does not appear to use Paris-aligned assumptions and estimates.

In contrast, peers (Shell, bp, TotalEnergies) have released more transparent disclosures in their audited financial statements, articulating the extent of consideration of climate change contingencies and risks.

Accurate accounting assists investors in understanding the drivers of risk and return. Investors seek additional information from Chevron to understand the impact of climate-related factors on its business model and current financial reporting.

BE IT RESOLVED: Shareholders request Chevron's Board of Directors provide an audited report addressing how application of the assumptions of the IEA's Net Zero by 2050 pathway would affect the assumptions and estimates underlying its financial statements, including its long-term commodity and carbon prices, remaining asset lives, existing and future asset retirement obligations, capital expenditures, and asset valuations (impairments). The report should be produced at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend the report be supported with reasonable assurance from an independent auditor.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

Valero Energy Corporation

WHEREAS: As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies have converged on the need to achieve net zero greenhouse gas (GHG) emissions globally to maintain warming at 1.5° C.

The International Energy Agency's (IEA) Net Zero 2050 Scenario (NZE) describes an energy sector path for net zero GHG emissions. According to the IEA, no new investment in fossil supply projects is needed in a net zero scenario and the IEA anticipates oil demand dropping by nearly 75% globally by 2050.

In response, investors are calling for high-emitting, fossil fuel dependent companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios including the NZE, and to provide investors insights about the potential impact on financial statements.

An independent 2021 analysis concluded that Valero's financial statements lack transparency on climate-related assumptions and estimates, that company disclosures do not appear to use 'Paris-aligned' assumptions and estimates, and that its third party audit did not address or assess climate-related assumptions.

In contrast, peers Shell and BP released more transparent disclosures in their audited financial statements, articulating the extent of consideration of climate change contingencies and risks. In 2020, BP, Shell and TotalEnergies reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments. National Grid also noted estimates inconsistent with 2050 net zero commitments.

Valero's recently released scenario analysis assesses global forecasts for oil demand under the Sustainable Development Scenario, but not the more stringent NZE. In its financial statements, Valero narratively acknowledges increased climate-related transition and physical risk, but not how those risks translate into financial impacts. Investors request further transparency on how such matters could impair Valero's business.

BE IT RESOLVED: Shareholders request that Valero's Board of Directors issue an audited report disclosing whether and how applying the assumptions of the International Energy Agency's Net Zero by 2050 pathway scenario would affect the assumptions, costs, estimates, and valuations underlying its financial statements, including those related to supply and demand, resiliency of assets, remaining asset lives, capital expenditures, and impairments. The Board should produce the report at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: The proponent recommends the requested report be supported with reasonable assurance from an independent auditor.

Investors with \$103 trillion in assets under management have already called for companies and their auditors to rigorously disclose climate risks in financial reporting, or value overstatement due to failing to integrate climate-related impacts on profits and financial positions.

In light of potential impairments from uncertain climate scenarios depressing product demand, it is urgent for investors to vote in favor of this proposal.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario Duke Energy Corp.

Shareholder request for an audited report on the effects of a significant reduction in fossil fuel demand

RESOLVED: Shareholders request Duke Energy Corp.'s (Duke Energy) Board of Directors issue an independently audited report to shareholders on whether and how a significant reduction in fossil fuel utilization, envisioned in the International Energy Agency (IEA) Net Zero Emissions (NZE) by 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings in a report to shareholders that is completed at a reasonable cost and omit proprietary information.

SUPPORTING STATEMENT: According to a report issued by the IEA, under a NZE by 2050 Scenario the utilization of natural gas would decline by 55% from 2020 levels.¹ Under this assumption, capital investments in fossil fuel infrastructure may prove to be unrecoverable due to national policy shifts away from high greenhouse gas emitting fuels.

Investors and regulators are calling for companies to test their assumptions and resilience against climate-related risks and provide investors insight concerning the impact on financial statements.^{2,3,4}

Electricity production generates 25% of total US greenhouse gas emissions⁵ and the implied temperature rise of the utilities sector is currently 3.7°C,⁶ above Paris-aligned pathways.⁷

The United States' Nationally Determined Contribution established a goal of 100% carbon pollution-free electricity by 2035,⁸ which experts agree implies an interim target of 80% clean electricity by 2030 relative to a 2005 baseline.⁹

At least one state within Duke Energy's services area, North Carolina, is currently implementing a 70% reduction in carbon emissions by the year 2030 and moving to carbon neutrality by 2050.¹⁰ North Carolina's 2030 target exceeds Duke Energy's own goals, 50% emissions reduction by 2030, and amplifies investors' concerns regarding policy risk in Duke Energy's accounting assumptions.

These factors strengthen concerns that the company is not properly accounting for risk brought on by external change, including changes in technology, markets and societal habits.

A report in fulfillment of this proposal should at a minimum assess Duke Energy's current plans and financial statement against the IEA NZE scenario and how it would affect underlying assumptions, costs, estimates, and valuations in the financial statements, including but not limited to those related to commodity and carbon prices, future asset retirement obligations, capital expenditures and impairments. It should also evaluate whether current capital expenditures and plans are consistent with any short, medium and long-term scope 1, 2 and 3 targets established by Duke Energy, and identify any differences in financial statement assumptions under at least one feasible pathway for the company to operate profitably in full alignment with NZE, such as committing to an 80% carbon pollution-free electricity interim net zero target by 2030.

1. https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf
2. <https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate...-risks-in-financial-reporting/>
3. <https://www.unpri.org/sustainability-issues/accounting-for-climate-change>
4. <https://www.sec.gov/corpfin/sample-letter-climate-change-disclosures>
5. <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>
6. <https://www.msci.com/documents/1296102/26195050/MSCI-Net-Zero-Tracker-O...>
7. <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-a...>
8. <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/United%20St...>
9. <https://energyinnovation.org/wp-content/uploads/2021/09/Studies-Agree-8...-Electricity-by-2030-Would-Save-Lives-and-Create-Jobs-at-Minimal-Cost.pdf>
10. <https://governor.nc.gov/news/press-releases/2021/10/13/governor-cooper...-bill-including-carbon-reduction-goals-law>

Audited Report on Impact of Net-Zero Emissions by 2030 Scenario

Entergy Corp.

A similar resolution was submitted to PPL Corp.

RESOLVED: Shareholders request Entergy Corp. (Entergy) Board of Directors issue an independently audited report to shareholders that considers the strategic feasibility and financial consequences of committing to an 80 percent carbon pollution-free electricity interim net zero target by 2030 to align Entergy's net zero climate commitments to the Paris-aligned US nationally determined contribution (US NDC) electricity pledge. The Board should summarize its findings in a report to shareholders that is completed at reasonable cost and omit proprietary information.

WHEREAS:

Investors and regulators are calling for companies to test their assumptions and resilience against climate-related risks and provide investors insight concerning the impact on financial statements;^{1,2,3}

The electricity sector is 25 percent of total US greenhouse gas emissions;⁴

The implied temperature rise of the utilities sector is currently 3.7°C,⁵ above Paris-aligned pathways;⁶

The power and utilities sector broadly fails to align critical accounting assumptions and estimates with the goals of the Paris Agreement;⁷

Experts estimate planned future US gas-fired power generation places over \$24 billion of value at risk for investors, and that 31 percent of current US gas-fired power generation is already unprofitable;⁸

The US NDC codified a goal of 100 percent carbon pollution-free electricity by 2035,⁹ which experts agree implies an interim target of 80 percent clean electricity by 2030 relative to a 2005 baseline;¹⁰

The US NDC electricity goal with an 80 percent interim target by 2030 would help avoid combined health and climate damages of \$150 billion to \$705 billion through 2030 or 2035 and \$1 trillion to \$3 trillion through 2050;¹¹

Entergy's energy fuel supply is 53 percent fossil fuels (48.8 percent natural gas and 4.2 percent coal) and results in the tenth-highest overall CO2 emissions of US electric power producers;¹²

As of November 2021, Entergy had not committed to an 80 percent interim CO2 reduction goal below 2005 levels by 2030 or set a 100 percent carbon pollution-free electricity goal by 2035; nor had it disclosed how Paris alignment assumptions and regulatory disallowance risk may change via committing to the above US NDC pledge;

Twelve industry peers—but not Entergy—via open letter lobbied the executive branch to reduce industry carbon emissions by 80 percent below 2005 levels by 2030;¹³

Industry peers American Electric Power, Dominion, WEC, and Xcel Energy have already committed to an 80 percent interim CO2 reduction goal by 2030.¹⁴

SUPPORTING STATEMENT: Proponents recommend that Entergy consider information on assumptions, costs, estimates, and valuations that may be materially impacted.

1: <https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/>

2: <https://www.unpri.org/sustainability-issues/accounting-for-climate-change>

3: <https://www.sec.gov/corpfm/sample-letter-climate-change-disclosures>

4: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

5: <https://www.msci.com/documents/1296102/26195050/MSCI-Net-Zero-Tracker-Oct2021.pdf>

6: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/key-aspects-of-the-paris-agreement>

7: <https://carbontracker.org/reports/flying-blind-the-glaring-absence-of-climate-risks-in-financial-reporting/>

8: <https://carbontracker.org/reports/put-gas-on-standby/>

9: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/United%20States%20of%20America%20First/United%20States%20NDC%20April%202021%20Final.pdf>

10: <https://energyinnovation.org/wp-content/uploads/2021/09/Studies-Agree-80-Percent-Clean-Electricity-by-2030-Would-Save-Lives-and-Create-Jobs-at-Minimal-Cost.pdf>

11: I.d.

12: <https://mjbradley.com/content/emissions-benchmarking-maps>

13: <https://int.nyt.com/data/documenttools/power-sector-letter/3e5ca64b01b81888/full.pdf>

14: <https://ihsmarkit.com/research-analysis/netzero-pledges-by-us-utilities-spotlight-different-timelines.html>

Report on Net-Zero Absolute Emissions Reduction

J.P. Morgan Chase & Co.

RESOLVED: Shareholders request that the Board of Directors issue a report that sets absolute contraction targets for the Company's financed greenhouse gas emissions, in accordance with United Nations Environmental Program Finance Initiative (UNEP FI) recommendations to the G20 Sustainable Finance Working Group, for credible net zero commitments.

Proponents request that, in the discretion of board and management, the report address the lack of need for new fossil fuel development beyond projects already committed as of 2021, as set forth in the UNEP FI recommendations.

SUPPORTING STATEMENT

Our Company notes that [c]limate change manifesting as physical or transition risks could have a material adverse impact on JPMorgan Chase's business operations, clients and customers.¹

JPMorgan is a member of the Net Zero Banking Alliance (NZBA). It has committed to align with pathways consistent with a maximum temperature rise of 1.5 degrees Celsius above pre-industrial levels and to use decarbonization scenarios from credible and well-recognized sources.²

However, JPMorgan's current decarbonization plan is not aligned with a credible net zero pathway. The UNEP FI, which convenes the NZBA, published an Input Paper to the G20 Sustainable Finance Working Group which defines credible net zero commitments of financial institutions.³ UNEP FI contrasts two decarbonization approaches: absolute contraction, or [r]educing the absolute amount of carbon in the portfolio, versus an [e]conomic intensity-based approach, or [a]chieving a greater carbon efficiency per dollar invested. While JPMorgan publishes decarbonization targets based on carbon efficiency, UNEP FI emphasizes it is most convincing for investors to use an absolute contraction approach (original emphasis)...⁴ Targeting portfolio carbon efficiency by itself, without adopting absolute greenhouse gas emission reduction standards for its financing, allows for an increase in the Company's total fossil fuel financing. For example, focusing on only lower carbon intensity fuels, such as fracked gas, decreases overall portfolio intensity while potentially increasing its overall financed emissions.

This is a red flag for JPMorgan, the world's top financier of companies expanding fossil fuels.⁵ The UNEP FI recommendations also admonish: A financial institution establishing a net-zero commitment should begin aligning with the required assumptions and implications of IPCC 1.5°C no/low overshoot pathways as soon as possible.... All no/low overshoot scenarios indicate an immediate reduction in fossil fuels, signalling that investment in new fossil fuel development is not aligned with 1.5°C.⁶ JPMorgan has no policy to halt financing new oil and gas exploration and development.

JPMorgan's assertions of climate leadership fly in the face of its actions, creating reputational risk from greenwashing accusations. By underwriting or lending to projects which are unneeded under the UNEP FI recommendations, JPMorgan is also knowingly loading potentially stranded assets onto its clients' balance sheets, or its own, creating financial and litigation risk.⁷ In this regard, investors need to know that JPMorgan's emissions reduction targets, and its lending and underwriting policies, are consistent with its own net zero commitment.

1. JPMorgan Chase 2020 Form 10-K, at 28.

2. <https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/UNEP-FI-NZBA-Commitment-Statement.pdf>

3. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations-for-Credible-Net-Zero-Commitments.pdf>

4. Id. At 14.

5. <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf>, at 38.

6. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations-for-Credible-Net-Zero-Commitments.pdf>, at 15.

7. <https://www.justice.gov/opa/pr/goldman-sachs-agrees-pay-more-5-billion-connection-its-sale-residential-mortgage-backed>

Ensure that Underwriting Practices Do Not Support New Fossil Fuel Supplies

American International Group, Inc. (AIG)

WHEREAS: The Intergovernmental Panel on Climate Change (IPCC) reported that global greenhouse gas (GHG) emissions must reach net zero by 2050 to limit global warming to 1.5°C.¹ However, the United Nations Environment Programme finds the world is on track to produce more than double the amount of fossil fuels by 2030 than can be burned and stay within 1.5°C of warming.²

The International Energy Agency's (IEA) report, Net Zero by 2050, provides a comprehensive pathway for the energy sector to transition to net zero emissions by 2050. The report says, Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required.³

Property and casualty insurers have a unique relationship to climate risks. They both underwrite policies for and invest in the fossil fuel industry, which is responsible for about 90% of annual carbon dioxide emissions,⁴ while also writing policies meant to protect their customers' homes and businesses from the impacts of climate-driven catastrophes. The worsening climate crisis has provoked more frequent and severe catastrophes, harming insurers who then impose further costs onto already climate-impacted customers.⁵ If the IEA's recommendations are not met, this trend will only worsen.

AIG has made no public commitments to limit fossil fuel underwriting. The Company is choosing to sustain the fossil fuel industry, while trying to predict and manage losses exacerbated by climate change. AIG lags behind European peers, including AXA, Allianz, Aviva, Generali, SCOR, and Zurich, that have committed to transitioning their underwriting portfolios to net-zero GHG emissions by 2050.⁶

To develop a credible net zero commitment the United Nations Environmental Program Finance Initiative recommends that financial institutions, including insurers, align with the IPCC's 1.5°C no / low overshoot pathways as soon as possible, and that investment in new fossil fuel development is not aligned with 1.5°C.⁷ If fossil fuel expansion is not immediately stopped, it will expose insurers like AIG to material financial risk, including:

- Operational risk from an increased likelihood of insured catastrophe losses, as well as increasing the risk of loss in AIG's asset holdings.
- Regulatory risk from increased compliance costs for insurers that fail to address the risks from underwriting fossil fuels.
- Reputational risk if consumers view AIG's sustainability commitments as untrustworthy given its unrestricted fossil fuel underwriting.

RESOLVED: Shareholders request that the AIG's Board of Directors adopt and disclose new policies to help ensure that its underwriting practices do not support new fossil fuel supplies, in alignment with the IEA's Net Zero Emissions by 2050 Scenario.

Supporting Statement

The board and management, in its discretion, should define the scope, time frames and parameters of the policy, including defining new fossil fuel supplies, with an eye toward the well accepted definition that new fossil fuel supplies include exploration for and / or development of oil, gas, and coal resources or reserves beyond those fields or mines already in production.

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

2. <https://productiongap.org/2021report/>

3. <https://www.iea.org/reports/net-zero-by-2050>

4. <https://www.clientearth.org/latest/latest-updates/stories/fossil-fuels-and-climate-change-the-facts/>

5. <https://www.nytimes.com/2021/09/10/your-money/extreme-weather-homeowner-insurance.html>

6. <https://www.unepfi.org/net-zero-insurance/>

7. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations-for-Credible-Net-Zero-Commitments.pdf>

Ensure that Underwriting Practices Do Not Support New Fossil Fuel Supplies

Citigroup

RESOLVED: Shareholders request that the Board of Directors of Citigroup adopt a policy by the end of 2022 committing to proactive measures to ensure that the company's lending and underwriting do not contribute to new fossil fuel supplies inconsistent with fulfilling the IEA's Net Zero Emissions by 2050 Roadmap and the United Nations Environmental Program Finance Initiative recommendations to the G20 Sustainable Finance Working Group for credible net zero commitments.

SUPPORTING STATEMENT

Citigroup, as a member of the Net Zero Banking Alliance (NZBA), commits to align financing with a maximum temperature rise of 1.5 degrees Celsius.¹ To close the gap between words and action, a change in policy is needed on financing of fossil fuel exploration and development.

The United Nations Environmental Program Finance Initiative (UNEPFI), which convenes the NZBA, published an Input Paper to the G20 Sustainable Finance Working Group which defines credible net zero commitments of financial institutions, including: A financial institution establishing a net-zero commitment should begin aligning with the required assumptions and implications of IPCC 1.5°C no/low overshoot pathways as soon as possible.... All no/low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5°C.² The International Energy Agency (IEA) has concluded, There is no need for investment in new fossil fuel supply in our net zero pathway.³

Citigroup has not committed to end funding of fossil fuel expansion. It reportedly recently financed an expanding coal operation in Russia. In September 2021 Bloomberg reported that Russia's largest coal producer and coal plant operator, JSC SUEK, had mandated nine banks, including Citigroup, for a bond issuance with a 5-year maturity.⁴ JSC SUEK produces over 100 million tons of coal per year. It is expanding coal mining operations for an additional 25 million tons per year. SUEK's coal exports are set for expansion by around 28 million tons per year.

An observer noted, SUEK plays a central, if not THE central role in Russia's scheme to profit as much as possible from the coal industry before the fossil era ends. It is outrageous that US and German banks are still helping to raise money for one of the world's largest coal companies only two months before COP26 in Glasgow.⁵

Ernst-Jan Kuiper of BankTrack added: The participation of US and German banks in this bond issuance is particularly surprising given their net-zero pledges.... we need to see more from banks than signing showy net-zero initiatives.

Financing of new oil and gas exploration and development is also inconsistent with the global goals. A study in Nature that found oil and gas production needs to fall by 3% each year until 2050 to meet the goals of the Paris Agreement.⁶

1. <https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/UNEP-FI-NZB...>

2. <https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI-Recommendations...>, at 15.

3. <https://www.iea.org/reports/net-zero-by-2050>

4. Bloomberg Terminal: <https://blinks.bloomberg.com/news/stories/QYRCFLDWLU6U>(link is external) Public Source: Anthropocene Fixed Income Institute, <https://anthropocenefii.org/afii-suek-bofa-citi-cmzb>(link is external)

5. Urgewalt spokesperson.

6. <https://www.nature.com/articles/s41586-021-03821-8>

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

Chubb Limited

Similar resolutions were submitted to Berkshire Hathaway Inc., The Hartford Financial Services Group and Travelers Companies, Inc.

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degrees Celsius (1.5°C) goal, requiring net zero greenhouse gas (GHG) emissions by 2050. Projections have found that limiting global warming to 1.5 degrees versus 2 degrees will save \$20 trillion globally by 2100, while exceeding 2 degrees could lead to climate damages in the hundreds of trillions. The U.S. insurance industry is under increasing pressure to address its contributions to climate change from its underwriting, insuring, and investing activities.

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers' profitability. The U.S. Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy and recommended that state insurance regulators require insurers to assess how their underwriting activity and investment portfolios may be impacted by climate-related risks.

This growing public pressure for the insurance industry to account for its climate related risks and impacts is exemplified by legislation recently passed in Connecticut requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

Shareholders are concerned that Chubb is not adequately reducing the climate footprint of its underwriting, insuring, and investing activities. This failure creates significant risk. Chubb reported pretax catastrophe losses of \$1.15 billion in Q3 2021, with \$806 million of that figure attributable to Hurricane Ida. This follows a larger global trend: insured losses from natural disasters reached \$42 billion in the first six months of 2021, a ten year high.

Chubb is a climate laggard in the global insurance sector, ranking in the bottom half in a survey of the 30 largest global insurers, due largely to its lack of restrictions on oil and gas underwriting and investments. In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities. Thirteen global insurers have also joined the United Nations' Net Zero Insurance Alliance in which they commit to transition their emissions from insurance and reinsurance underwriting portfolios to net zero by 2050.

Chubb does not measure or disclose its financed emissions, including those attributable to underwriting, insuring, and investments, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal for such emissions.

BE IT RESOLVED: Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, addressing whether and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose, at board discretion:

- Whether Chubb will begin measuring and disclosing the emissions associated with the full range of its operations and by when, and
- Whether Chubb will set a Paris aligned, net zero target, for its full range of emissions. and on what timeline.

Integrity of Sustainable Finance Definition

Toronto-Dominion Bank

A similar resolution was submitted to Royal Bank of Canada.

Resolved: In order to ensure TD meets its net zero emissions reduction targets and protects against reputational risk, shareholders request that Toronto-Dominion Bank (TD or the Bank) updates its criteria for low carbon financing to preclude fossil fuel activity and projects facing significant opposition from Indigenous Peoples.

Supporting Statement: TD was the first Canadian bank to set a target to finance the transition to the low-carbon economy, including \$100 billion in low-carbon lending, financing, asset management and other programs by 2030.¹

To guide this, TD follows voluntary initiatives like the Sustainability Linked Loan Principles, the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, and has developed its own Sustainable Bonds Framework. The Bank is also a signatory to the Equator Principles, which contains provisions to respect Free, Prior and Informed Consent (FPIC) by Indigenous Peoples in major projects that affect them.

While taxonomies and regulations are emerging, what ultimately qualifies as low carbon finance is currently decided by TD. Reputational risk is possible when the public's expectations do not align with the company's definitions.

On September 27, 2021 a Toronto Star article referenced TD as a bank involved in \$1.5 billion financing to pipeline company Enbridge, \$1.1 billion of which was sustainability linked. Critics alleged greenwashing.²

Regarding the sustainability-linked financing, Enbridge stated that it does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria.³

The investor-led Climate Action 100+, of which TD Asset Management is a signatory, found that Enbridge does not meet any criteria in aligning its capital allocations with the Net Zero Company Benchmark.⁴

At the time of the financing, Enbridge was completing the Line 3 oil pipeline expansion, a project with the equivalent emissions impact of 50 new coal-fired power plants.⁵ The Line 3 expansion also failed to secure the Free, Prior and Informed Consent (FPIC) of affected Indigenous Peoples, resulting in court cases, hundreds of arrests, and significant media attention.⁶

None of the guidelines or frameworks TD is party to require the Bank's low carbon financing be numerically consistent with its net zero emissions reductions targets, nor do they preclude financing of fossil fuel activity.

The EU Taxonomy for Sustainable Activities recognizes the risk of carbon lock-in from financing fossil fuel activity, even for pollution abatement, and therefore precludes it.⁷ Transition finance is reserved for activities for which there are no low-carbon alternatives.

In addition to Line 3, TD has been involved with financing other major fossil fuel projects that failed to secure FPIC.⁸ While TD should consider strengthening its policy regarding FPIC across all its financing activities, failure to respect Indigenous Rights in financing branded sustainable heightens the prospect of reputational risk.

We urge shareholders to vote FOR this proposal.

1. <https://td.mediaroom.com/index.php?s=19518&item=135953>

2. <https://www.thestar.com/news/canada/2021/09/27/canadian-banks-are-loaning-enbridge-over-1b-with-questionable-sustainability-requirements.html>

3. <https://www.thestar.com/news/canada/2021/09/27/canadian-banks-are-loaning-enbridge-over-1b-with-questionable-sustainability-requirements.html>

4. <https://www.climateaction100.org/company/enbridge-inc/>

5. <http://priceofoil.org/content/uploads/2020/01/Giant-Step-Backward-report-01-29-19-FINAL-online-version.pdf>

6. <https://www.theguardian.com/environment/2021/aug/10/protesters-line-3-minnesota-oil-gas-pipeline>

7. https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf

8. These include the Trans Mountain pipeline, Coastal Gas Link, and the Dakota Access Pipeline.

Report on Balancing Climate Measures and Financial Returns

United Parcel Service, Inc.

RESOLVED, shareholders ask that the board commission and publish a report on (1) the extent (if any) to which Company decisions involving the greenhouse-gas emissions reduction prioritize Company financial performance over the environmental costs and risks of climate change and (2) the manner in which any consequent environmental costs and risks threaten returns of diversified shareholders who rely on a stable and productive economy.

Supporting Statement: In 2020, the Company announced a roadmap to carbon neutrality in 2050. The Company has established the following specific goals:

By 2025

- 25 percent renewable electricity for facilities
- 40 percent alternative fuel purchases as a percent of total ground fuel

By 2035

- 30 percent sustainable aviation fuel
- 100 percent renewable electricity for facilities
- 50 percent reduction in carbon dioxide per package delivered for global small packages.¹

These goals do not appear consistent with the consensus on measures necessary to keep global warming below disastrous levels. More consistent measures could include:

- Meeting a 1.5-degree Celsius Science-Based Target standard
- Achieving a 50 percent reduction in greenhouse-gas emissions by 2030
- Committing to purchasing only electric light-duty vehicles by 2025

The gap between the Company's declared goals and Paris alignment may be due to the Company's decision only to address the risk of climate change to the enterprise, rather than addressing the risks the Company poses to the environment: while the Company identifies climate change as having inherently high risk to the organization,² the public documents that discuss the Company's climate stance disclose no consideration of climate change's broad environmental stakes such as:

- Halving GDP growth by the end of the century³
- Having broad implications for macroeconomic performance, including inflation, interest rates, balance of payments, productivity, wealth, and gross domestic product (GDP) growth⁴
- Shrinking the world economy by 3 percent by 2050.⁵

Lowered GDP will directly reduce returns to diversified investors,⁶ and a warming planet may create serious disruption costs that further threaten financial markets.⁷ By adopting a slower pace of mitigation, the Company is able to increase its margins and financial performance. But improved Company financial performance that comes at the expense of the environment and the economy is a bad trade for most Company shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives.

This proposal asks for a report that analyzes the climate trade-offs the Company makes between financial return and the global economy, and how those trade-offs affect diversified shareholders. Such a report would not require precision: identifying areas where the Company is choosing not to accelerate decarbonization and analyzing how such choices manifest as costs or risks to diversified portfolios would help determine whether and when the Company should prioritize Paris alignment over financial returns.

1. https://investors.ups.com/_assets/ups/files/pages/ups/db/1149/description/UPS+ESG+Strategy+June+2021.pdf

2. https://about.ups.com/content/dam/upsstories/assets/reporting/sustainability-2021/2020_UPS_TCFD_Report_081921.pdf

3. <https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>

4. Id.

5. <https://www.eiu.com/n/global-economy-will-be-3-percent-smaller-by-2050-due-to-lack-of-climate-resilience>.

6. Ibid n. 2.

7. Supra, n.3

Extend the Horizon: Incorporate Climate Future in Credit Rating

Moody's Corporation

RESOLVED: Shareholders of Moody's Corporation (Moody's) ask the Board of Directors to oversee the preparation of a report, at reasonable cost and omitting confidential and proprietary information, analyzing the feasibility of increasing the period of assessment to greater than five years when considering exposure to physical and transition risks associated with climate change for Moody's Investors Service (MIS) issuer credit ratings.

SUPPORTING STATEMENT: Over the next decade, the probability and materiality of climate-related risks is set to increase. Due to the short time scales on which MIS assesses risk, this climate reality is largely missing from its credit ratings.

Of 8700 ratings actions taken last year, environmental, social and governance (ESG) risks were considered material in 85%; however, only 13% cited environmental factors.¹ Presently MIS views credit ratings and ESG scores (Credit Impact Score and Issuer Profile Scores) as not necessarily linked,² despite climate risks posing clear threats to issuer creditworthiness.

In 2019 Moody's downgraded PG&E unit Pacific Gas & Electric Co only after the wildfire that raged through California and led to the utility's bankruptcy.³ Far from being a black swan event, PG&E's exposure to wildfire risk had been increasing for 20 plus years due to climate conditions.⁴ This focus on ex-post ratings action (including issuing a ratings upgrade prior to 201T's wildfire season) exposes the flaws of MIS's approach to climate risk.

Time horizons for climate-change stress testing need to cover a longer time duration to reflect the horizons over which climate change risk factors are expected to fully materialize. Moody's acquisition of RMS and other such platforms gives it industry-leading capability to undertake such assessments.

A 2017 UN Principles for Responsible Investment report recommends that rating agencies include scenario analysis to address long-term [ESG] trends and risk trajectories.⁵ It's now 2021, and Moody's is still not addressing long term trends and risk trajectories in issuer ratings.

The Bank of International Settlements states that the materialisation of increasingly severe physical risks and/or of transition risk is currently advancing into the typical window of bank and supervisory risk measurement and, notably, is already likely to occur within the maturities of longer-dated positions.⁶ The Task Force on Climate-Related Financial Disclosures also recommended that investors reconsider their short-term outlook, and other experts warn limiting risk analysis to shorter timeframes may underestimate the exposure.⁷

Moody's Analytics already implements current best practices to discretize the continuous distribution of possible economic and climate futures into representative climate scenarios, representing a long period of time (typically, to the year 2100).

Therefore, we ask the Board to report on the feasibility of increasing the period of assessment to greater than five years when considering climate risk in issuer credit ratings.

1. https://www.moody.com/research/Moodys-ESG-risks-material-in-85-of-private-sector-issuer--PBC_1292949

2. <https://capmark.org/wp-content/uploads/2021/05/Moodys-1.pdf>

3. <https://www.reuters.com/article/us-pg-e-ratings-moodys-idUSKCN1P42U3>

4. <https://iopscience.iop.org/article/10.1088/1748-9326/ab83a7#erlab83a7s3>

5. <https://www.unpri.org/credit-risk-and-ratings/esg-credit-risk-and-ratings-part-1-the-state-of-play/78.article>

6. <https://www.bis.org/bcbs/publ/d518.pdf>

7. <https://www.bis.org/bcbs/publ/d518.pdf>

Extend the Horizon: Incorporate Climate Future in Credit Rating

Standard & Poor's Global Ratings

RESOLVED: Shareholders of Standard & Poor's Global Ratings (S&P) ask the Board of Directors to oversee the preparation of a report, at reasonable cost and omitting confidential and proprietary information, analysing the feasibility of strengthening climate risk assessment by increasing the assessment period to greater than five years when considering exposure to climate risks for S&P's issuer credit ratings and factoring long-term environmental, social and governance (ESG) risks into the company's quantitative financial forecasts.

SUPPORTING STATEMENT: Over the next decade, the probability and materiality of climate-related risks will increase. Due to the short time scales on which S&P assesses risk, this climate reality is largely missing from S&P's credit ratings—especially in its financial forecasts.

Of 2300 ESG rating actions between April and December 2020, environmental factors contributed in only 24.1. Additionally, only credit rating analysts are part of credit rating committees with potential for non-voting participation of sustainable finance analysts.²

In 2019 S&P downgraded Pacific Gas & Electric Company (PG&E) only after the raging California wildfire led to its bankruptcy.³ Hardly a black swan event, PG&E's exposure to wildfire risk had been increasing for over 20 years.⁴ This case is not isolated. In 2021, following the Texas freeze, Brazos Electric Power Cooperative filed for bankruptcy after holding an 'A' rating from S&P a week earlier.⁵ Such ex-post ratings actions and lack of attention to long-term horizons expose flaws in S&P's climate risk approach.

Time horizons for climate change stress testing need to reflect the duration over which climate change risk factors are expected to fully materialize. The Prudential Regulatory Authority of Bank of England highlights that climate-related financial risks will likely grow over time. Longer-term scenario analysis needs to inform strategy and risk assessment.⁶

S&P says forecasts generally include quantitative information two to three years into the future and states that even when ESG risk factors are sufficiently visible (but expected to crystallize outside the financial forecast horizon), they are factored into credit ratings only through qualitative considerations.⁷ Given the pertinence of quantitative financial forecasts for communicating credit materiality, it is essential that S&P take steps to factor long-term climate risk assessments in its quantitative financial forecasts.

The Principles for Responsible Investment, to which S&P is a signatory, states that rating agencies should include scenario analysis to address long-term [ESG] trends and risk trajectories.⁸ Moritz Kraemer, who oversaw sovereign debt ratings at S&P until 2018, puts it plainly: We have these really well-understood structural challenges coming our way over the time horizon of two, three, four decades, and that is in no way reflected in credit ratings.⁹

Therefore we ask the Board to report on the feasibility of strengthening assessment of climate risk.

1. <https://www.spglobal.com/ratings/en/research/articles/210215-the-esg-pulse-2020-lookback-11835444>

2. <https://www.spglobal.com/ratings/en/research/articles/211005-s-p-global-ratings-esg-roadmap-and-reminders-about-our-approach-12129801>

3. <https://www.cnn.com/2019/01/08/sp-cuts-pge-ratings-to-junk-warns-of-further-downgrade.html>

4. <https://iopscience.iop.org/article/10.1088/1748-9326/ab83a7#erlab83a7s3>

5. <https://www.bloomberg.com/news/articles/2021-03-01/a-texas-power-firm-files-for-bankruptcy-after-historic-outages>

6. <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2021/october/climate-change-adaptation-report-2021.pdf?la=en&hash=FF4A0C618471462E10BC704D4AA58727EC8F8720>

7. <https://www.spglobal.com/ratings/en/research/articles/211005-s-p-global-ratings-esg-roadmap-and-reminders-about-our-approach-12129801>

8. <https://www.unpri.org/credit-risk-and-ratings/esg-credit-risk-and-ratings-part-1-the-state-of-play/78.article>

9. <https://www.bloomberg.com/news/articles/2021-09-23/climate-change-risk-looms-for-government-debt>

Avoiding Bank Participation in Pollution-Intensive Asset Privatizations

Royal Bank of Canada

Public companies with pollution-intensive assets such as coal, oil and gas projects are coming under increasing pressure from institutional investors with ESG concerns. As a response to such pressure, certain issuers have sold off these polluting assets, or are contemplating doing so.

In many cases, the only potential buyers for such polluting and often aging assets are private enterprises, since they are not subject to the same disclosure requirements of public companies, and as such they may be immune to pressure from institutional investors and other public market participants on ESG matters.

Commenting on the offloading of polluting assets to private enterprises in November 2021, a Globe and Mail columnist writes:¹

Expelling a dirty business such as a coal mine may reduce the carbon footprint of the company doing the selling, making it more attractive to investors who follow environmental, social and governance (ESG) guidelines. But it does precisely zero to reduce overall carbon emissions, since the buyer keeps operating the mine.

The Private Equity Stakeholders Project has found that fundraising by private equity firms is accelerating rapidly, with US\$460 billion raised in the first half of 2021 alone. The report examined the energy holdings of top private equity firms and found that 80% of their energy assets are in fossil fuels. These private firms have invested US\$1.1 trillion in energy assets since 2010.²

The 2021 Oil & Gas Benchmarking report notes that BP and ConocoPhillips are among the companies that have begun selling off polluting assets to private buyers.^{3,4} According to the report, when ConocoPhillips sold off aging and heavily polluting oil and gas wells to Hilcorp Energy in 2017, ConocoPhillips reported a company-wide reduction in GHG emissions of 20 percent. But the overall climate implications were the same – the company had merely offloaded a heavily polluting asset to Hilcorp, which was named top polluter by the EPA.⁵

Offloading riskier, less desirable assets means some of the most polluting and inefficient properties remain in operation. Globally, banks are starting to move away from financing polluting assets; RBC has already announced that it will not lend money to new coal-fired power generators, thermal coal mines or coal mines that require mountaintop removal. But while banks make these important changes, they may still be variously enabling pollution-intensive asset privatizations, exposing investors to risk.

RESOLVED THAT so as to not facilitate adverse environmental impacts in connection with the sale of coal, oil or gas assets from public companies to private enterprises (pollution-intensive asset privatization), shareholders request RBC and its business units not participate in or enable pollution-intensive asset privatization transactions, specifically by not accepting any new mandates to provide either financing/lending or M&A advisory services to such transactions.

Footnotes 1-5 not provided

Report on Low Carbon Business Planning

Exxon Mobil Corporation

WHEREAS: Exxon, in 2019, signed a Statement on the Purpose of a Corporation, committing the Company to all stakeholders, including protect[ing] the environment by embracing sustainability practices across our businesses.

Inconsistent with this embrace of sustainability, Exxon lacks a business strategy consistent with limiting global temperature rise to 1.5 degrees Celsius, with no commitment to Net Zero by 2050 or a roadmap to get there. Importantly, current 2025 emission targets ignore the Scope 3 emissions of their products, which account for 83 percent of total emissions.

A global transition towards a low carbon economy places unprecedented risk on oil companies and the economy. The Intergovernmental Panel on Climate Change warns oil industry emissions need to drop 50 to 90 percent by 2050 to avoid catastrophic consequences. The United States' Commodity Futures Trading Commission stresses climate change poses a major risk to the stability of the U.S. financial system and to its ability to sustain the American economy. The United Nations Environment Programme Finance Initiative reports in Universal Ownership that 50 percent of companies' earnings are at risk from climate costs, creating systemic risk for Exxon, and diversified investors alike.

A failure to plan for this transition may place investor capital at substantial risk. The CEOs of Shell, Equinor, and BP predict peak oil demand may occur by 2025. Carbon Tracker reports Exxon could lose 80 percent of its petroleum investments if the world takes action to limit global temperature rise.

Peers have begun investing in clean energy, including wind, solar, and renewables storage, while Exxon has invested in less effective carbon mitigation solutions like carbon capture and sequestration. The World Benchmarking Alliance reports companies need to dedicate 77 percent of capital expenditure to low carbon projects to meet a 1.5 degree scenario. Yet, Exxon plans to invest a fraction of that amount—only 3.3 percent—in lower emission energy solutions through 2025.

Exxon's current strategy has not benefited its stock price for a decade, with the stock price falling approximately negative 20 percent, compared to a near tripling of the S&P 500. Exxon's returns remain at risk in the absence of a comprehensive climate strategy.

RESOLVED: With board oversight, shareholders request ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing how the company could alter its business model to yield profits within the limits of a 1.5 degree Celsius global temperature rise by substantially reducing its dependence on fossil fuels.

SUPPORTING STATEMENT: The proponent suggests such a report could include a roadmap (with timelines, short and long term goals, capital expenditure planning) to alter its energy mix to reduce fossil fuel dependence, including options such as buying, or merging with, companies with renewable energy assets or technologies, and/or internally expanding its renewable energy portfolio, and/or exercising stricter capital discipline by focusing on high return, low cost, and low carbon capital expenditures to boost return on capital, reduce societal greenhouse gas emissions, and protect shareholder value.

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

Lowe's

A similar resolution was submitted to TJX Companies, Inc.

WHEREAS: In 2018, the Intergovernmental Panel on Climate Change (IPCC) advised that net greenhouse gas (GHG) emissions must fall 45 percent by 2030 and reach net zero by 2050 to limit warming below 1.5°C thereby preventing the worst consequences of climate change.

Absent such deep emissions reductions, the IPCC (2021) projects continued increases in global surface temperatures, sea levels, extreme weather events, forest fires, and agricultural losses. These could, in turn, compel new regulations and transition costs for companies. In its most recent 10-K, Lowe's states that Our business could be affected by uncharacteristic or significant weather conditions, including natural disasters and changes in climate, which could impact our operations.

While Lowe's has adopted various initiatives to reduce the direct and indirect (scope 1 and 2) greenhouse gas emissions in its own operations, the Company has not set a goal to reduce its emissions in line with the ambition of the Paris Agreement nor does the Company have a goal that covers the scope 3 emissions in its extensive supply chain and in use of its products.

As a result, Lowe's risks falling behind other retailers. Walmart has set a 1.5C science-based target (SBT) verified by the Science Based Targets initiative (SBTi), which includes a 65% reduction in its Scope 1 and 2 emissions, and a commitment to reduce upstream and downstream sources of Scope 3 emissions by one billion tonnes by 2030. Globally, 109 retailers - including Home Depot, Advance Auto, Albertsons, and Target - have committed to adopt or have adopted SBTs.

Climate Action 100+ and other investor-led initiatives regard ambitious Scope 1, 2 and 3 GHG reduction targets as critical to a company's climate risk management. By setting and disclosing science-based GHG emissions reduction targets inclusive of Scope 3, Lowe's can provide investors with assurance that it is adequately managing its climate risk and capturing climate-related opportunities.

RESOLVED

Shareholders request that Lowe's Companies, Inc. adopt short, medium, and long-term science-based greenhouse gas emissions reduction targets, inclusive of emissions from its full value chain, in order to achieve net-zero emissions by 2050 or sooner and to effectuate appropriate emissions reductions prior to 2030.

SUPPORTING STATEMENT

We recommend the company disclose its targets and plans for meeting those targets prior to the next annual meeting, and that the board and management consider:

- Drawing upon approaches used by leading global initiatives such as SBTi;
- Establishing supporting targets for renewable energy, energy efficiency, fleet electrification, and other measures deemed appropriate by management;
- Formulating the company's plans in a manner that enhances benefits and engagement, and mitigates negative effects, for impacted employees and communities, including people of color communities.

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

Costco Wholesale Corp.

WHEREAS:

In 2018, the Intergovernmental Panel on Climate Change advised that greenhouse gas emissions must be halved by 2030 and reach net zero by 2050 to limit warming to 1.5°C, prevent the worst consequences of climate change, and meet the goals of the Paris Agreement.

Companies must act rapidly to reduce emissions in line with these science-based goals, as recent studies show that limiting warming below 1.5°C is now extremely unlikely.

Costco Wholesale Corporation (Costco) uses palm oil, soy, cattle, cocoa, and pulp/paper in its products. These commodities are leading drivers of deforestation, which accounts for over 10 percent of global greenhouse gas emissions.

In its 2020 10-K, Costco acknowledges that climate change, extreme weather conditions, and rising sea levels could affect our ability to procure commodities at costs and in quantities we currently experience. Furthermore, Costco identifies a highly competitive retail marketplace and failure to respond to changing consumer preferences, including those relating to sustainability, as risk factors.

Costco claims to prioritize the mitigation of Scope 1, 2 and 3 CO₂e emissions and to focus on addressing the climate impacts attributed to our global operations and supply chains. However, Costco's absolute Scope 1 and 2 emissions have increased in each reported year since 2016. Worryingly, Costco does not plan to announce Scope 1 and 2 emissions reduction targets until December 2022 and has no time-bound plans to measure, disclose, or set reduction targets for its Scope 3 emissions.

Scope 3, or value chain, emissions are likely to be Costco's greatest source of emissions. Walmart, a Costco competitor, discloses that Scope 3 emissions make up 95% of its total emissions. If the Company is to accelerate emissions reductions consistent with global goals, halving GHG emissions by 2030, it must act broadly and expeditiously.

Competing retailers and food companies, including Walmart, BestBuy, Target, McDonald's, PepsiCo, Nestle, and Kellogg, measure their Scope 1, 2, and 3 emissions and are pursuing science-based emissions reductions consistent with the goals of the Paris Agreement. Failure to keep pace with competitors and anticipate regulatory changes may pose material risks to Costco, including restricted market share, inability to meet government mandates, and reputational damage.

RESOLVED:

Shareholders request that Costco adopt short, medium, and long-term science-based greenhouse gas emissions reduction targets, inclusive of emissions from its full value chain, in order to achieve net-zero emissions by 2050 or sooner and to effectuate appropriate emissions reductions prior to 2030.

SUPPORTING STATEMENT:

In assessing targets, we recommend, at management's discretion:

- Consideration of approaches used by advisory groups such as the Science Based Targets initiative;
- Adopting emissions reduction targets inclusive of all GHG Protocol-defined sources of Scope 3 emissions – including from agriculture, land use change, and deforestation – that align with limiting temperature increases to 1.5°C;
- Disclosing these targets to investors at least 180 days prior to the next annual meeting.

Adopt Short, Medium and Long-Term Science-Based GHG Reduction Targets

BJ's Wholesale

Similar resolutions were submitted to BJ's Restaurants, Inc., J.B. Hunt Transport Services, Inc., Middleby Corporation and SBA Communications Corporation.

Whereas: In 2018, the Intergovernmental Panel on Climate Change evaluated the goals of the 2015 Paris Agreement and advised that net carbon emissions must fall 45% by 2030 and reach net zero by 2050 in order to limit warming below 1.5 degrees Celsius and prevent the worst consequences of climate change. However, in 2020, the UN reported the world is way off-track from achieving these goals.¹

Exceeding 1.5 degrees Celsius presents risks to the global economy and investors: up to 10% of total global economic value is projected to be lost by 2050 under current emissions trajectories. A warming climate is associated with supply chain disruptions, reduced resource availability, lost production, political instability, reduced worker efficiency, and adverse health impacts that disproportionately affect low-income communities and communities of color.²

BJ's Wholesale Club, Inc. (BJ's) does not disclose its carbon footprint, nor does it have greenhouse gas emissions reduction goals of any kind.³ While its peers are addressing climate-related risks and opportunities, BJ's appears to be falling behind. Peers including Kohl's, Walmart, Williams-Sonoma, and Target have committed to set third-party verified GHG goals aligned with climate science via the Science Based Targets Initiative (SBTi). Walmart has committed to reduce absolute scopes 1 and 2 GHG emissions 35% by 2025 and 65% by 2030, and will reduce CO2e emissions from upstream and downstream scope 3 sources by one billion metric tons within the same timeframe. Williams-Sonoma has committed to a 50% scope 1 and 2 and 14% scope 3 GHG emissions reduction by 2030. Target has committed to reduce scope 1, 2, and 3 emissions by 30% by 2030, and that 80% of its purchased goods and services suppliers will set science-based scope 1 and 2 targets by 2023.

Given the impact of climate change on the economy, the environment, and human systems, proponents believe the BJ's board and management have a responsibility to investors and stakeholders to disclose and adopt GHG goals aligned with a 1.5 degree scenario and to outline a clear plan that demonstrates accountability. Independently verified, science-based goals covering scopes 1, 2, and 3 would provide shareholders with objective assurance that BJ's is doing its part to reduce emissions in a comprehensive and timely manner.

Resolved: Shareholders request that BJ's Wholesale Club, Inc. adopt and disclose independently verified short, medium, and long-term science-based greenhouse gas emissions reduction targets, inclusive of emissions from its full value chain, in order to achieve net-zero emissions by 2050 or sooner and to attain appropriate emissions reductions prior to 2030, in line with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius.

Supporting Statement: In assessing targets, we recommend, at management's discretion:

- Consideration of approaches used by advisory groups such as the Science Based Targets initiative.
- Disclosing these targets to investors at least 180 days prior to the next annual meeting.

1. https://library.wmo.int/doc_num.php?explnum_id=10211

2. <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html>

3. <https://investors.bjs.com/sustainability/operations/default.aspx>

Adopt GHG Reduction Targets for Scopes 1-3

Chevron Corp.

WHEREAS: We, the shareholders, must protect our assets against devastating climate change, and we therefore support companies to substantially reduce greenhouse gas (GHG) emissions.

RESOLVED: Shareholders request the Company to set and publish medium- and long-term targets to reduce the greenhouse gas (GHG) emissions of the Company's operations and energy products (Scope 1, 2, and 3) consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

You have our support.

SUPPORTING STATEMENT:

The policies of energy companies—the largest greenhouse gas (GHG) emitters—are crucial to confronting the climate crisis. Therefore shareholders support oil and gas companies to substantially reduce their emissions.

We, the shareholders, understand this support to be essential in protecting all our assets in the global economy from devastating climate change.

We therefore support the Company to set emission reduction targets for all emissions: the emissions of the company's operations and the emissions of its energy products (Scope 1, 2, and 3). Reducing Scope 3 emissions, the vast majority, is essential to limiting global heating.

Scientific consensus: The world's leading international scientific bodies recently released reports which clearly state the need for deep cuts in emissions in order to limit global warming to safe levels

Financial momentum: A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore limiting global warming is essential to risk management and responsible stewardship of the economy.

Backing from investors that insist on targets for all emissions continues to gain momentum: 2021 saw unprecedented investor support for climate resolutions. In the US, three of these climate resolutions passed with a historic majority. In Europe, support for these climate resolutions continued to build.

Legal risk: In 2021, a Dutch court ordered Shell to severely reduce their worldwide emissions (Scope 1, 2, and 3) by 2030. This indicates that oil majors and large investors have an individual legal responsibility to combat dangerous climate change by reducing emissions and confirms the risk of liability.

We believe that the Company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels consistent with curbing climate change.

You have our support.

Improve GHG Reduction Targets to Include Scope 3 Emissions

DTE Energy

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

WHEREAS: Energy utilities play a critical role in achieving the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius, requiring net zero greenhouse gas (GHG) emissions by 2050. Utilities provide energy to some of the most GHG-intensive economic sectors. By reducing their own GHG emissions utilities can enable decarbonization across other industries.

Natural gas, a fossil fuel, produces 40 percent of the nation's power. Burning natural gas for heat in buildings accounts for approximately 11 percent of national GHG emissions.

Currently, many utilities' climate strategies rely on natural gas instead of coal due to lower combustion emissions. Such strategies often ignore Scope 3 emissions from upstream leakage, venting, and flaring in the production of natural gas and the downstream emissions from customers' combustion of natural gas.

DTE Energy's net zero target does not include Scope 3 upstream production emissions from natural gas used in its power generation or downstream customer use emissions. In 2020, downstream customer use emissions accounted for approximately 25 percent of DTE's total disclosed emissions. Publicly available data indicates upstream emissions for natural gas are likely significant, adding between 16-65 percent of natural gas combustion carbon dioxide emissions. When DTE's purchased electricity, another Scope 3 category, is included, the amount of emissions not covered in DTE's current target increase to approximately 43 percent. Finally, research has found that the Environmental Protection Agency's inventory for natural gas, on which many utilities rely for calculating their methane emissions, is potentially underestimating supply chain methane emissions by 60 percent.

By failing to acknowledge nearly half of the GHG emissions associated with its business, DTE cannot be considered on a path to achieving net zero emissions. Failure to account for substantial Scope 3 emissions creates the potential for reputational risk associated with greenwashing. This flawed methodology also prevents investors from accurately comparing DTE's company risk and climate contributions against other utilities'.

The CA100+ Benchmark, supported by \$60 trillion in assets, is clear that companies' net zero targets should cover[] the most relevant scope 3 GHG emissions. The Science-Based Targets initiative (SBTi) similarly states that if a company's relevant Scope 3 emissions are over 40 percent of total emissions, or if companies sell natural gas, those emissions must be included in its targets.

Peer utilities are starting to appropriately account for their Scope 3 emissions. PSEG has committed to set a net zero target through the SBTi. Sempra has set net zero targets that cover full Scope 3 value chain emissions. Xcel's net zero target covers customer emissions.

BE IT RESOLVED: Shareholders request DTE revise its net zero by 2050 target, and interim targets, to integrate its full Scope 3 value chain emissions consistent with guidelines such as the CA100+ and SBTi, or publish an explanation of why the Company does not include these emissions.

Report on Scope 3 Greenhouse Gas Reductions Aligned with Paris Goal

CMS Energy Corp.

A similar resolution was submitted to MGE Energy.

WHEREAS: Energy utility companies play a critical role in achieving the Paris Climate Agreement goals. Electricity production accounts for 25 percent of greenhouse gas emissions, while the burning of gas in buildings for heat and appliances accounts for 13 percent.¹ Many utilities' current climate targets are grossly insufficient as they leave a major portion of their emissions unaccounted for, namely scope 3 emissions associated with the upstream production of gas and the downstream burning of gas by customers.

Reducing the greenhouse gas footprint of buildings is critical to achieving the Paris Agreement goals.² Currently, over 60 percent of homes use gas or other fossil fuels for heating. The IEA net zero scenario calls for 95 percent reduction of emissions from the buildings sector.³ Cities and states are starting to mandate transition to all-electric buildings, posing both a risk to gas distribution businesses and an opportunity for electricity demand growth.⁴ Proposed federal legislation includes investment tax credits for geothermal and heat pumps⁵ and rebates for high-efficiency electric homes.⁶

Additionally, upstream emissions from natural gas production are projected to add an additional 16-65 percent global warming potential to the combustion emissions.⁷ Furthermore, research found that these emissions were 60 percent higher than EPA inventory estimates.⁸

Investors such as the Climate Action 100 coalition are asking companies for robust net zero targets that encompass the most relevant upstream and downstream scope 3 emissions.⁹ CMS Energy Corporation (CMS) has committed to net zero carbon emissions by 2040 for their electricity business¹⁰ and net-zero methane emissions by 2030 across their natural gas distribution system.¹¹ However, these targets exclude upstream and downstream scope 3 emissions, which comprise more than 50% of their total carbon footprint.¹² Although CMS plans to publish a strategy to reduce carbon emissions associated customers' use of natural gas, it has not committed to setting a scope 3 reduction target.¹³

Peer utilities are starting to address scope 3 emissions. PSEG and NRG have committed to setting a net zero target through the Science-Based Targets Initiative, which mandates inclusion of all value chain emissions.¹⁴ Sempra and Xcel have also set net zero targets that cover Scope 3 value chain emissions.^{15,16}

RESOLVED: Shareholders request that CMS produce a report, at reasonable expense and excluding confidential information, prior to the 2023 annual shareholder meeting, with annual progress reports thereafter, that discloses how the company will reduce all material categories of scope 3 greenhouse gas emissions, related to emissions upstream and downstream, aligned with the goals of the Paris Agreement of limiting global warming to well-below 2°C with the ambition to limit to 1.5°C. The report should include short-, medium- and long-term targets and strategies on how to achieve them.

1. <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

2. <https://rmi.org/insight/the-impact-of-fossil-fuels-in-buildings/>

3. https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf, p.145

4. <https://www.wsj.com/articles/battle-brems-over-banning-natural-gas-to-homes-11622334674>

5. https://www.wsj.com/articles/gas-furnace-heat-pump-11620846653?mod=article_inline

6. <https://www.ase.org/blog/theres-hope-our-homes-congress-build-back-better-legislation>

7. <https://iopscience.iop.org/article/10.1088/1748-9326/abef33>

8. <https://www.science.org/doi/full/10.1126/science.aar7204>

9. <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

10. <https://www.consumersenergy.com/-/media/CE/Documents/company/IRP-2021.ashx>

11. https://s26.q4cdn.com/888045447/files/doc_presentations/2021/10/ESG-Presentation-vFINAL.pdf

12. <https://s26.q4cdn.com/888045447/files/sustainability/unsdg/documents/CDP-Climate-2020.pdf>

13. <https://www.consumersenergy.com/-/media/CE/Documents/company/What%20We%20Do/Consumers%20Energy%20Natural%20Gas%20Delivery%20Plan.ashx>

14. <https://nj.pseg.com/NewsRoom/NewsRelease254>

15. https://www.sempra.com/sites/default/files/content/files/node-report/2020/SempraEnergy_2020_Corporate-Sustainability-Report.pdf

16. <https://mn.my.xcelenergy.com/s/about/newsroom/press-release/xcel-energy-commits-to-net-zero-carbon-goal-by-2050-MCZE7IKJSPUBEI5K3MZ5D3AZ74UQ>

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

Macy's, Inc.

Whereas

Absent deep reductions in greenhouse gas (GHG) emissions, the Intergovernmental Panel on Climate Change (IPCC) projects continued increases in global surface temperatures, sea levels, extreme weather events, forest fires, and agricultural losses. These environmental changes will increase physical and systemic risks for investors and companies, including supply chain dislocations, reduced resource availability, lost productivity, commodity price volatility, and physical infrastructure damage, and could result in new regulations and transition costs.

According to the World Bank (2019), The fashion industry is responsible for 10% of annual global carbon emissions, a larger carbon footprint than international aviation and maritime shipping combined. Leading fashion companies must each do their part to reduce these industry emissions. Yet while Macy's Inc. (Macy's) has adopted various piecemeal energy management and GHG reduction measures, the Company does not have GHG emissions reduction goals aligned with the ambition of the Paris Agreement, nor does it have goals that cover operational and supply chain emissions.

Without such targets, Macy's risks falling behind its peers. For instance, the Gap, J. Crew, Kohl's, and Nordstrom are just four of the 81 retailers worldwide that have committed to set or have set science-based GHG reduction targets (SBTs) through the Science Based Targets initiative (SBTi). H&M has set a 100% renewable energy adoption target through the RE100 initiative, and has pledged to cut its energy use intensity in half by 2030 through EP100.

Instituting stronger targets could help Macy's meet expectations of the 70% of customers who say it is important for brands to be sustainable (IBM and the National Retail Federation, 2020).

Proponents believe the company must take more ambitious action to address its full climate impact, the physical risks to its operations and supply chain, and the transition risks associated with new regulation and a global shift from a fossil fuel-based economy.

Resolved

Shareholders request Macy's issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short-, medium-, and long-term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. Reporting should cover the company's full range of operational and supply chain emissions.

Supporting Statement

In assessing targets, we recommend, at board and management's discretion:

- Taking into consideration approaches used by advisory groups like the Science Based Targets initiative when adopting short-, medium-, and long-term GHG emissions reduction targets;
- Developing a low carbon transition plan that shows evidence of implementation to meet your goals; and
- Consideration of supporting targets for renewable energy, energy efficiency, and other measures to decrease operational emissions.

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

Idacorp

IDACORP operates Idaho Power, a public utility which provides electrical power to Idaho and Oregon, which are particularly vulnerable to and actively experiencing climate change with an increase in wildfires, heat extremes, prolonged droughts, and reduced water supply for hydropower operations.

IDACORP has a goal of 100 percent renewable generation by 2045, however it has not identified tangible interim goals in order to be able to achieve that goal.

Rather than adopting a clear path to greenhouse gas (GHG) reduction, IDACORP instead has proposed extending the use of coal fired power plants by converting them to natural gas operations in its 2021 Integrated Resourcing Planning Process.¹

The inclusion of natural gas as a clean future instead of a decarbonization plan is concerning because according to IDACORP'S 2021 CDP disclosure, the company currently do(es) not have any technologies or processes in place to directly reduce methane emissions from our thermal operations. IDACORP'S November 2021 Preferred Portfolio indicates an addition of natural gas generation in 2024 and no alternative mitigations for water availability risk past 2034.

Although IDACORP exceeded its goal to reduce carbon intensity 20 percent by 2025, it's now trending upwards as intensity increased from 2018 - 2020. IDACORP attributes the 18 percent increase in 2020 to lower water availability for hydro generation and population increase. Yet, IDACORP'S GHG emissions have increased from 2019–2020, underscoring the need for short, medium and long term absolute GHG emission targets.

IDACORP has not set short, medium, or long term absolute GHG reduction targets for its Scope 1 and Scope 2 emissions, nor a Science Based Target for a Net Zero future. IDACORP lags its peers, including PacifiCorp which committed to reduce GHG emissions 74 percent from 2005 levels by 2030.

IDACORP notes in its 2021 10-K that the cost to comply with potential further climate change regulation could be significant and it could face increased climate related litigation and reduce its access to capital markets with favorable terms.

In 2017 the Financial Stability Board's Task Force on Climate related Financial Disclosures recommended that companies adopt targets to manage climate risks and disclose strategies. 76 percent of Fortune 100 companies set climate or energy related commitment and 17 percent have set Science Based Targets. In many cases, these goals are also linked to executive compensation.

BE IT RESOLVED: Shareholders request that IDACORP issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, disclosing short, medium, and long term greenhouse gas targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. This reporting should cover IDACORP'S full scope of operational and product related emissions.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report describe:

- IDACORP'S climate transition plan for achieving its GHG reduction goals over time, including aligned capital allocation where relevant;
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal.

1. <https://docs.idahopower.com/pdfs/AboutUs/PlanningForFuture/irp/2021/202...>

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

O'Reilly Automotive, Inc.

Similar resolutions were submitted to Amedisys Inc. and Standard Motor Products Inc.

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission underscored that climate change could impair the productive capacity of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. BlackRock's CEO writes that, there is no company whose business model won't be profoundly affected by the transition to a net zero economy and that investors are asking companies to disclose a plan for how their business model will be compatible with a net zero economy .

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of 615 investors with \$60 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies' net zero emissions ambitions; short, medium, and long term greenhouse gas (GHG) reductions goals covering enterprise-wide emissions; and strategic action plans to achieve decarbonization targets.

O'Reilly Automotive, Inc. operates over five thousand stores that carry automotive parts and maintenance items. Our Company has undertaken limited activities to reduce emissions, including implementing energy efficiency measures and investing in solar projects in North Carolina and Texas. O'Reilly Automotive does not, however, disclose its GHG emissions data. Further, our Company lacks targets for reducing GHG emissions, including a goal to achieve net zero GHG emissions by 2050 or sooner in line with limiting global warming to 1.5 degrees. By reporting its emissions, setting 1.5 degree aligned targets, developing a climate transition plan, and demonstrating progress toward achieving net zero emissions by 2050 or sooner, O'Reilly can provide investors with assurance that management is reducing its climate contribution and addressing the growing risks associated with climate change.

BE IT RESOLVED: Shareholders request that O'Reilly Automotive, Inc. issue a report at reasonable cost and omitting proprietary information, disclosing short, medium, and long term greenhouse gas targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. This reporting should cover the Company's full scope of operational and product related emissions.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the report include:

- The Company's Scope 1 through 3 (where relevant) GHG emissions.
- The Company's climate transition plan for achieving its GHG reduction goals over time, including aligned capital allocation where relevant;
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal;
- Other information the Board deems appropriate.

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

Tractor Supply Company

WHEREAS:

Climate change impacts present systemic portfolio risks to investors; a warming climate contributes to supply chain disruptions, lost productivity, commodity price volatility, adverse human health impacts, and regulatory risk, among others. In 2018, the Intergovernmental Panel on Climate Change (IPCC) advised that net greenhouse gas (GHG) emissions must fall 45 percent by 2030 and reach net zero by 2050 to limit warming below 1.5°C and meet the goals of the Paris Climate Agreement. The Sixth Assessment IPCC report released in August, 2021 notes that the planet has already warmed 1.1°C, far exceeding expectations, and that global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO₂) and other greenhouse gas emissions occur in the coming decades.¹ Estimates of the economic impacts of exceeding 1.5 °C warming could reach hundreds of trillions of dollars by 2100.²

As a long-term investor, we believe meeting the Paris Climate Agreement's goals will prevent devastating impacts on society and portfolio value. We see future business as usual scenarios with 3 -4°C increases in global average temperature as both unacceptable and not investable.

We appreciate that Tractor Supply Company (Tractor Supply) has significantly improved its disclosure on climate, including inaugural Task Force on Climate Related Disclosures and CDP reports. The company has also taken steps to reduce scope 1 and 2 emissions and established renewable energy goals — a crucial step to increase the negligible 1.1% derived from renewable energy as reported in 2020. However, Tractor Supply has not measured the carbon footprint of scope 3 emissions beyond propane and welding gas. Scope three emissions are often many times larger than a company's direct footprint.

Achieving the U.S.'s goal to reduce GHG emissions 50-52% by 2030 will require rapid and far-reaching changes in every sector. Given the clear need for more urgent and ambitious action on climate change, proponents believe the company would benefit from increasing the scale and pace of climate action and committing to measuring and reducing Tractor Supply's full value chain emissions footprint.

Several retailers including Walmart, BestBuy, and Target are not only measuring their full value chain emissions (scopes 1, 2, and 3) but are also pursuing long-term, science-based emissions reductions consistent with the goals of the Paris Climate Agreement. Other retailers, including Home Depot, Advance Auto Parts, and Williams -Sonoma have committed to setting science based targets.³

Each company is implementing different strategies to achieve this common goal. Examples include adopting aggressive renewable energy goals, focusing resiliency efforts on at-risk suppliers, and collaborating with other companies to scale efforts.

RESOLVED:

Shareholders request that Tractor Supply issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses short, medium, and long term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. Reporting should cover the company's full range of operational and product related emissions.

1. https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Headline_Statements.pdf

2. <https://www.wcrp-climate.org/news/science-highlights/1604-climate-sensitivity-2020>

3. <https://sciencebasedtargets.org/companies-taking-action/?country=United...>

Disclose Interim and Long-Term GHG Reduction Targets - Scopes 1-3

Caterpillar Inc.

Similar resolutions were submitted to Skechers U.S.A. and Zillow Group.

WHEREAS: The increasing rate and number of climate-related disasters affecting society is causing alarms to be raised within the executive, legislative, and judicial branches of government, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission last year underscored that climate change could impair the productive capacity of, the U.S. economy.

Shareholders are increasingly concerned about material climate risk and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. BlackRock's CEO notes that investment flows into climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of more than 615 investors with \$60 trillion in assets, issued a Net Zero Company Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies' net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals; and strategic actions planned to achieve decarbonization targets.

Caterpillar is a leading manufacturer of construction and mining equipment, engines, turbines, and locomotives. Our Company has not set targets to reduce GHG emissions across its entire enterprise, including supply chain emissions, or disclosed a plan for how to achieve Paris-aligned GHG emissions reductions. Caterpillar's emission reduction targets only address Scope 1 and 2 emissions. In contrast, 30 peers in the construction materials sector have committed to validate their GHG targets through the Science-Based Targets initiative.

Climate-related decisions by a company have portfolio and economy-wide implications. Setting net zero GHG targets and developing a climate transition plan aligned with such goals is an important means of assuring that management is comprehensively reducing its climate contribution and taking seriously the growing risks of climate change, benefitting both the company and investors.

Caterpillar has failed to take meaningful action on this request, despite a 48 percent vote of support last year.

BE IT RESOLVED: Shareholders request that Caterpillar issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, disclosing interim and long term greenhouse gas targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. This reporting should cover the Company's full scope of operational and product related emissions.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report further describe:

- Caterpillar's climate transition plan for achieving its GHG reduction goals, including aligned capital allocation where relevant;
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal;
- Other information deemed appropriate.

Disclose Interim and Long-Term GHG Reduction Targets - Scopes 1-3

Helios Technologies

WHEREAS: The increasing rate and number of climate related disasters is raising alarms globally, making the corporate sector's contribution to climate mitigation a significant policy issue. Beyond environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission last year underscored that climate change could impair the productive capacity of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to their companies and their portfolios and seek clear and consistent disclosures, including credible climate transition plans. BlackRock's CEO writes that, there is no company whose business model won't be profoundly affected by the transition to a net zero economy and that investors are asking companies to disclose a plan for how their business model will be compatible with a net zero economy .

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of 615 investors with \$60 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies' net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals covering enterprise-wide emissions; and strategic action plans to achieve decarbonization targets.

Helios Technologies Inc. develops and manufactures solutions for the hydraulics and electronics markets. Our company has failed to publicly disclose its GHG emissions; set GHG reduction targets; or disclose a transition plan to achieve net zero emissions by 2050 or sooner. Helios has developed at least one heat pump product designed to increase efficiency for its customers, but otherwise fails to disclose climate related actions.

By setting 1.5 degree-aligned GHG reduction targets, reporting a clear climate transition plan, and demonstrating progress toward achieving net zero emissions by 2050 or sooner, Helios Technologies can assure investors that management is reducing its climate contribution and addressing the growing risks associated with climate change.

BE IT RESOLVED: Shareholders request Helios Technologies issue a report, at reasonable cost and omitting proprietary information, disclosing interim and long term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, a plan to achieve these goals, and progress made in achieving them. Reporting should cover the company's full range of operational and product related emissions.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the report include:

- Disclosure of the Company's annual Scope 1 through 3 (where relevant) GHG emissions;
- A timeline for setting a net zero GHG reduction target and aligned interim goals;
- An enterprise-wide climate transition plan to achieve 1.5 degree aligned, net zero emissions;
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal;
- Other information the Board deems appropriate.

Disclose Near & Long-Term GHG Reduction Targets - Scopes 1-3

Valero Energy Corporation

WHEREAS

In 2018, the Intergovernmental Panel on Climate Change (IPCC) advised that net greenhouse gas (GHG) emissions must fall 45 percent by 2030 and reach net zero by 2050 to limit warming below 1.5 degrees Celsius and prevent the worst consequences of climate change.

Absent such deep emissions reductions, the IPCC (2021) projects continued increases in global surface temperatures, sea levels, extreme weather events, forest fires, and agricultural losses. Environmental changes will, in turn, increase physical and systemic risks for investors and companies, including supply chain dislocations, reduced resource availability, lost productivity, commodity price volatility, and physical infrastructure damage that could, in turn, compel new regulations and transition costs.

As the largest independent petroleum refiner in the world, Valero Energy Company (Valero) is highly exposed to climate risks. While Valero has adopted short-term GHG reduction measures, the Company has not committed to reduce emissions in line with the goals of Paris Agreement, nor do its goals cover scope 3 emissions in its supply chain or from use of its products. More ambitious action is necessary to address the Company's full climate impact, its physical risks, and the transition risks associated with a global shift from a fossil fuel-based economy.

Valero is falling behind peer companies in curbing its GHG emissions. Phillips 66 recently set a target for its scope 3 emissions. Marathon Petroleum is reporting its scope 3 emissions, has set midterm emissions targets, and is aligning its capital spending with a planned transition to lower carbon fuels. Royal Dutch Shell, BP, and Equinor are examples of oil and gas companies that have announced ambitious targets to reduce emissions and align their capital spending and business activities with the net zero goals of the Paris Agreement.

Valero maintains that it leads the industry in producing low-carbon renewable fuels. Ramping up the scale, pace and rigor of its climate-related initiatives could unlock opportunities for growth in new products such as aviation biofuels and help the company to avoid investing in assets that will lose value as the global economy transitions away from fossil fuel-based transportation fuels over the coming decades.

RESOLVED

Shareholders request Valero issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses near- and long-term GHG gas reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and a plan to achieve them. Reporting should cover the company's full range of operational and supply chain emissions.

SUPPORTING STATEMENT

In assessing targets, we recommend, at management's discretion:

- Taking into consideration approaches used by groups like the Science Based Targets initiative;
- Developing a low carbon transition plan showing evidence of implementation to meet Valero's goals;
- Considering support targets for renewable energy, energy efficiency, alternative fuels production and other measures deemed appropriate by management; and
- Committing to reduce local community health impacts from cumulative operational emissions.

Disclose Medium & Long-Term GHG Reduction Targets - Scopes 1-3

American Water Works Company, Inc.

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

Shareholders are increasingly concerned about material climate risk to their companies and seek clear and consistent company disclosures including credible climate transition plans. BlackRock's CEO notes that investment flows into sustainable and climate aligned assets will drive long term outperformance¹ and that companies should disclose plans for how their business model will be compatible with a net zero economy.

In response to material climate risk, the Climate Action 100 initiative, a coalition of 600+ investors with over \$60 trillion in assets, issued a Net Zero Benchmark outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies' net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals; and strategic actions planned to achieve decarbonization targets.²

American Water Works is the largest and most geographically diverse publicly traded water and wastewater treatment utility company in the United States with approximately 90 percent of its electricity consumption and over 80 percent of GHG emissions related to water pumping.³ Our company discloses GHG emissions, is increasing solar capacity, and is on track to meet a short term 2025 GHG reduction for scope 1 and 2 emissions. While these are credible first steps, it has not set medium and long-term targets to reduce scope 1 or 2 GHG emissions nor set any goals for scope 3 emissions. The company does not have a Net Zero commitment, has not set targets in line with the Science Based Targets Initiative, nor disclosed a plan for how to achieve Paris-aligned GHG emissions reductions.

By setting and disclosing medium and long-term GHG emissions reduction targets, including net zero ambitions, and developing and disclosing a clear climate transition plan, our company can assure investors that management is reducing its full climate impact, building on climate-related opportunities, and addressing growing climate risk, including customers' access to water due to extreme weather events.

RESOLVED: Shareholders request that American Water Works issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, disclosing medium- and long-term greenhouse gas targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. This reporting should cover the Company's full scope of operational and product related emissions.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report describe:

- The Company's climate transition plan for achieving its GHG reduction goals over time, including aligned capital allocation where relevant.
- Identify relevant GHG emission scopes for the Company, including indirect and value chain emissions.
- Any net zero by 2050 and interim GHG emissions reduction targets covering all relevant emissions scopes.
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5-degree goal.

1. <https://www.blackrock.com/corporate/literature/whitepaper/bii-portfolio...>

2. <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Act...-FINAL-3.12.pdf>

3. [https://s26.q4cdn.com/750150140/files/doc_downloads/esg_docs/2021/2019-...-\(1\).pdf](https://s26.q4cdn.com/750150140/files/doc_downloads/esg_docs/2021/2019-...-(1).pdf)

Disclosure of Net-Zero GHG Indicator Progress

Boeing Company

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission underscored that climate change could impair the productive capacity of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to both their companies and their portfolios. The Climate Action 100+ initiative, a coalition of more than 617 investors with over \$55 trillion in assets, issued a Net Zero Benchmark (Benchmark) calling on companies to develop targets and a plan to reduce their scope 1-3 greenhouse gas (GHG) emissions to net zero, improve climate governance, and provide specific climate related financial disclosures.

A failure to comply with Benchmark goals and disclosures is likely to pose a material risk to Boeing and its shareholders, in particular the failure to clearly disclose whether the Company has adopted net zero greenhouse gas reduction goals across its full range of emissions.

Failure to address such a critical climate issue may have a negative effect on Boeing's cost of capital and shareholders' financial returns. BlackRock's CEO notes that investment flows into sustainable and climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.

A core indicator of company alignment with the Paris Agreement is Indicator 1 of the Benchmark, titled Net Zero GHG emissions by 2050 (or sooner) ambition (Net Zero Indicator), which seeks disclosure on whether the company has set an ambition to achieve net zero GHG emissions by 2050 and whether such ambition explicitly includes scopes 1, 2, and relevant scope 3 (including product) emissions.

While Boeing has targets to reduce scope 1 & 2 emissions 55% by 2030 on core sites, and has committed to achieve carbon neutrality on some aspects of its business (scopes 1 and 2, and business travel) through the purchase of carbon offsets, it has not reported an ambition to reduce its scope 3 product emissions—constituting 99% of its total emissions—which is a critical gauge of whether and how the Company is reducing climate risk and capitalizing on low carbon opportunities.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, evaluating and disclosing if and how the company has met the criteria of the Net Zero Indicator, including scope 3 use of product emissions, or whether it intends to revise its policies to be fully responsive to such Indicator.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report also include any rationale for a decision not to set and disclose goals in line with the Net Zero Indicator.

Disclose Plans to Reduce GHG Emissions, Scopes 1-3

Dollar Tree Stores

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission underscored that climate change could impair the productive capacity of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to both their companies and their portfolios. The Climate Action 100+ initiative, a coalition of more than 600 investors with over \$60 trillion in assets, issued a Net Zero Benchmark (Benchmark) calling on companies to develop targets and a plan to reduce their scope 1-3 greenhouse gas (GHG) emissions to net zero, improve climate governance, and provide specific climate related financial disclosures.

A failure to comply with Benchmark goals and disclosures is likely to pose a material risk to Dollar Tree and its shareholders. BlackRock's CEO notes that investment flows into sustainable and climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.

A core indicator of company alignment with the Paris Agreement is Indicator 1 of the Benchmark, titled Net Zero GHG emissions by 2050 (or sooner) ambition (Net Zero Indicator), which seeks disclosure on whether the company has set an ambition to achieve net zero GHG emissions by 2050 and whether such ambition explicitly includes scopes 1, 2, and relevant scope 3 emissions.

While Dollar Tree has a goal to reduce its scope 1 and 2 emissions intensity by 25% by 2031, this goal is not aligned with the global 1.5 degree Paris goal. Furthermore, the Company has failed to establish a goal to reduce its scope 3 emissions, which constitute 80% of the Company's total emissions. By setting 1.5 degree-aligned GHG reduction targets across all relevant emissions scopes, reporting a clear climate transition plan, and demonstrating progress toward achieving net zero emissions across its full range of emissions by 2050 or sooner, Dollar Tree can provide investors with assurance that management is appropriately reducing its climate contribution and addressing the growing risks associated with climate change.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how the Company intends to reduce its GHG emissions in alignment with the Paris Agreement's 1.5 degree goal requiring net zero emissions by 2050, including its relevant Scope 3 emissions.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report also include:

- A timeline for setting 1.5 degree aligned Scope 1-3 emissions reduction targets;
- An enterprise-wide climate transition plan to achieve net zero emissions;
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal;
- Other information the Board deems appropriate.

Measure & Begin Reducing Supply Chain GHGs

Ross Stores, Inc.

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change creates substantial systemic risks to the economy. The Commodity Futures Trading Commission underscored that climate change could impair the productive capacity of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to both their companies and their portfolios. The Climate Action 100+ initiative, a coalition of more than 617 investors with over \$55 trillion in assets, issued a Net Zero Benchmark (Benchmark) calling on companies to develop targets and a plan to reduce their scope 1-3 greenhouse gas (GHG) emissions to net zero.

A failure to comply with Benchmark goals and disclosures is likely to pose a material risk to Ross and its shareholders. BlackRock's CEO notes that investment flows into sustainable and climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.

A core indicator of company alignment with the Paris Agreement is Benchmark Indicator 1, titled Net Zero GHG emissions by 2050 (or sooner) ambition (Net Zero Indicator), which seeks disclosure on whether the company has set an ambition to achieve net zero GHG emissions by 2050 and whether such ambition explicitly includes scopes 1, 2, and relevant scope 3 (including product) emissions.

Ross Stores, Inc. is the nation's largest off-price retail chain. Our Company has established a target to reduce its Scopes 1 and 2 GHG emissions per square foot of retail space by 30% by 2025. However, our Company lacks targets to reduce its Scope 3 emissions including freight and supply chain GHG emissions and has not disclosed a plan for how to achieve Paris-aligned, net zero emissions reductions by 2050.

By setting Scope 3 GHG emissions reduction targets, a net zero by 2050 ambition, and developing a climate transition plan in line with achieving such goals, Ross can provide investors with assurance that management is reducing its climate contribution in line with global goals and addressing the growing risks of climate change, benefitting both the company and investors.

BE IT RESOLVED: Shareholders request the Board issue a report at reasonable cost and omitting proprietary information evaluating and disclosing how the Company intends to measure and begin reducing its supply chain GHG emissions in alignment with the Benchmark and the Paris Agreement's 1.5 degree goal requiring net zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report also include:

- A timeline for measuring all relevant Scope 3 emissions
- A timeline for setting a net zero GHG reduction target for the Company's full scope of emissions
- A timeline for developing a Paris-aligned climate transition plan
- Any rationale for not setting and disclosing goals aligned with the Net Zero Indicator

Net-Zero Climate Targets

Monster Beverage Corp

Similar resolutions were submitted to Allegheny Technologies, Cheesecake Factory, Foot Locker, Inc. HCA-The Healthcare Company and UnitedHealth Group, Inc.

WHEREAS: The increasing rate and number of climate related disasters affecting society is causing alarms to be raised globally, making the corporate sector's contribution to climate mitigation a significant policy issue.

Beyond environmental and social harms, climate change is creating systemic risks to the economy. The Commodity Futures Trading Commission last year underscored that climate change could impair the productive capacity of the U.S. economy.

Shareholders are increasingly concerned about material climate risk to their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. BlackRock's CEO writes that, there is no company whose business model won't be profoundly affected by the transition to a net zero economy and that investors are asking companies to disclose a plan for how their business model will be compatible with a net zero economy.

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of 615 investors with \$60 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark seek reporting on companies' net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals covering enterprise-wide emissions; and strategic action plans to achieve decarbonization targets.

Monster Beverage Corporation sells and distributes beverages and concentrates. Our company has adopted activities to reduce GHG emissions such as installing energy efficient lighting and control systems, undertaking manufacturing localization efforts, and use of electric vehicles. While our Company completed its first Scope 1 and 2 emissions reporting in 2020, it has not adopted GHG reduction goals. By setting targets, reporting a clear climate transition plan, and demonstrating progress toward achieving net zero emissions by 2050 or sooner, Monster Beverage Corporation can provide investors with assurance that management is reducing its climate contribution and addressing the growing risks associated with climate change.

BE IT RESOLVED: Shareholders request that Monster Beverage issue a report at reasonable cost and omitting proprietary information disclosing how the Company intends to reduce its operational and supply chain GHG emissions in alignment with the Paris Agreement's 1.5 degree goal requiring net zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the report include:

- Disclosure of the Company's annual Scope 3 (where relevant) GHG emissions.
- A timeline for setting a net zero GHG reduction target and aligned interim goals.
- An enterprise-wide climate transition plan to achieve net zero emissions.
- A rationale for any decision not to set targets aligned with the Paris Agreement's 1.5 degree goal.
- Other information the Board deems appropriate.

Science-Based Net-Zero Target

Enbridge Inc.

RESOLVED: Shareholders request that Enbridge by the end of 2022 strengthen its net zero commitment such that the commitment is consistent with a science-based, net zero target.

Supporting Statement: Achieving net zero represents a significant challenge and opportunity for Enbridge and requires a commitment to transform its business. A science-based, net zero commitment illustrates to investors and other stakeholders that Enbridge understands the financial and reputation risks, and the opportunities that exist in the fast-paced transition to a low carbon economy.

As the Climate Action 100+ report on Enbridge¹ shows, the company has made a first step towards a 2050 net zero target. But to be consistent with the principles of a science-based net zero commitment Enbridge needs to strengthen its net zero commitment. Clear guidance is emerging in new standards (e.g. Net Zero Standard for Oil and Gas,² The Science Based Targets initiative)³ on what needs to be included in credible, science-based net zero commitments:

- Align capital expenditures with a science-based net zero target
- Account for all Scope 3 emissions (from the value chain)⁴
- Develop an absolute ghg emission reduction target for 2030
- Develop, communicate, and implement a decarbonisation strategy

A science-based net zero commitment is critical in illustrating that Enbridge understands that the change occurring in our energy systems must be much swifter and transformative than commonly understood. For example, the IEA's World Energy Outlook 2021⁵ states net zero means no new oil and gas fields are required beyond those already approved for development in conjunction with a historic investment surge in clean technologies with a significant role for the oil and gas industry's expertise as it fits well with technologies such as hydrogen; carbon capture, utilization and storage; and offshore wind.⁶

Currently, Enbridge's net zero commitment falls short in the following ways:

- Capital investment is still heavily weighted towards gas and liquids infrastructure⁷ while only being positioned for low-carbon opportunities⁸
- Use of an intensity-based target for 2030 instead of an absolute one
- Failure to adequately measure and target Scope 3 emissions in its net zero commitment. (Enbridge measures avoidance of some Scope 3 emissions but does not measure Scope 3 emissions).⁹

As North America's largest midstream company, Enbridge needs to lead by developing a science-based net zero commitment that would illustrate to investors and stakeholders that the company understands the risks, opportunities, and speed of the transition to a low carbon energy system.

We urge shareholders to vote FOR this proposal.

1. <https://www.climateaction100.org/company/enbridge-inc/>

2. <https://www.iigcc.org/resource/net-zero-standard-for-oil-and-gas-companies/>

3. <https://sciencebasedtargets.org/>

4. SBTi recommends scope 3 emissions be included for companies with scope 3 emissions that represent >40% of overall emissions <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

5. <https://www.iea.org/reports/world-energy-outlook-2021>

6. <https://www.iea.org/reports/net-zero-by-2050>

7. 2021-23 capital investment: 31%: liquids pipelines: 50% gas transmission and distribution; and 19% renewable power generation https://www.enbridge.com/investment-center/reports-and-sec-filings/~media/Enb/Documents/Investor%20Relations/2021/2021_Q3_Supplemental_Package_FINAL.pdf

8. Enbridge Investment Community Presentation (August 2021) <https://www.enbridge.com/~media/Enb/Documents/Investor%20Relations/2021/Enbridge%20Investment%20Community%20Presentation%20August%202021.pdf>

9. https://www.enbridge.com/~media/Enb/Documents/About%20Us/Net_Zero_by_2050.pdf?la=en

Set Emission Reductions Targets for Company's Full Value Chain - Scopes 1-3

Air Products & Chemicals

WHEREAS:

In 2018, the Intergovernmental Panel on Climate Change advised that net greenhouse gas (GHG) emissions must fall 45 percent by 2030 and reach net zero by 2050 to limit warming below 1.5°C. This would prevent the worst consequences of climate change.

The Fourth National Climate Assessment (2018) reports that with continued growth in emissions, annual U.S. economic losses could reach hundreds of billions of dollars by 2100.

A warming climate is associated with systemic portfolio risks to investors, including supply chain dislocations, reduced resource availability, environmental degradation to communities where companies operate, lost productivity, commodity price volatility, infrastructure damage and disruptions from severe weather events, among other things.

While Air Products has adopted a goal to reduce CO2 emissions intensity (not absolute emissions) one-third by 2030, this does not guarantee that total emissions will fall to match the ambition of the Paris Agreement nor does it cover scope 3 emissions. We believe more ambitious action is necessary to address the Company's full climate impact and the transition risks associated with a global shift away from a fossil fuel-based economy.

Peer companies have begun to set more ambitious climate, renewable energy and energy efficiency goals. Air Liquide and Linde have committed to set science-based greenhouse gas targets and Air Liquide is committed to reducing absolute emissions 33% by 2035. Linde will invest more than one-third of annual R&D in decarbonization by 2028. BASF and Air Liquide have pledged to be carbon neutral by 2050.

Ramping up the scale, pace and rigor of its climate-related initiatives could secure a leadership role for Air Products that unlocks opportunities for growth as customers increasingly demand environmental accountability. It will also help prepare the Company for future climate-related regulations.

We believe that setting emissions reduction targets for all GHG emissions (Scope 1, 2 and 3) is the best way for Air Products to address these risks and opportunities.

RESOLVED:

Shareholders request that Air Products address the risks and opportunities presented by climate change and the global transition toward net zero emissions by setting emission reduction targets covering the Company's full value chain (Scope 1, 2 and 3) GHG emissions.

SUPPORTING STATEMENT:

In assessing what targets to set, we recommend, at management's discretion, consideration of the following:

- Adopting short, medium and long-term GHG emissions reduction targets taking into consideration approaches used by advisory groups such as the Science Based Targets initiative (through which over 1,500 companies have set or committed to set science-based GHG reduction targets).
- Adopting quantitative targets to increase sourcing of renewable energy, energy efficiency and production of green hydrogen.
- Assessing the disparate impacts of the Company's climate change contributions on communities of color and committing to reduce or mitigate local community health impacts from the cumulative emissions generated from its facilities.

Direct Methane Measurement

Chevron Corp.

Similar resolutions were submitted to Antero Resources and Range Resources Corporation.

WHEREAS, at least a quarter of today's global warming is caused by methane emissions from human sources.¹ Methane is 86 times more potent than carbon dioxide over a 20-year period, meaning reducing emissions now can buy valuable time to address the climate crisis.

In 2019, 30% of U.S. methane emissions from human activities came from natural gas and petroleum systems, from venting, flaring, and leaking.²

Methane emissions can be quantified directly through measurement (e.g., by detector, drone or satellite), or indirectly through calculations and modeling. However, the Environmental Protection Agency (EPA) formula used to estimate methane emissions is not a good foundation for a corporate mitigation strategy, failing to capture many major leaks, wasting valuable product (worth \$2 billion per year) and substantially underestimating emissions.³ Studies have found actual emissions to be between 50 and 90% higher than estimated emissions reported using the formula.⁴ In certain basins, studies have found emissions to be more than 10 times higher than industry disclosed figures.⁵ As a result, oil and gas industry Scope 1 emissions may be significantly higher than currently reported.

Companies that do not manage methane emissions jeopardize other industry decarbonization efforts, and risk their reputation and license to operate, as investors, regulators and civil society are setting expectations to address this issue.

In 2021, investors managing more than \$5.35 trillion supported strong federal methane regulations.⁶ The U.S. joined the Global Methane Pledge, committing to using best available inventory methodologies to quantify methane emissions.⁷ Companies, including U.S. companies EQT and Jonah Energy, have joined the Oil and Gas Methane Partnership, committing to improving methane data quality and consistency.⁸

According to EPA data, Chevron ranks 73d of U.S. top 100 oil and gas producers, with a methane intensity of 0.08%.⁹ However, given the limitations of EPA's methodology this ranking lacks credibility.

RESOLVED, shareholders request that the Board oversee the preparation of a report analyzing a critical climate change concern, the reliability of Chevron's methane emission disclosures. The report should:

- summarize the outcome of any efforts to directly measure methane emissions by the Company;
- provide investors with insight as to whether there is likely to be a material difference between direct measurement results and the Company's published estimates of methane emissions;
- assess the degree to which any differences would alter estimates of the Company's Scope 1 emissions.

The report should be made public, omit proprietary information and be prepared expeditiously at reasonable cost.

SUPPORTING STATEMENT: At management's discretion, we recommend that the report:

- Provide a narrative explanation of the difference between the Company's estimated methane emissions and the Company's own direct measurements, or any third party measurements, by site or region;
- Describe any efforts to validate emissions estimates and disclosure through a third-party audit or evaluation.

1. <https://www.unep.org/news-and-stories/press-release/methane-observatory-launched-boost-action-powerful-climate-warming>

2. <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>

3. <https://www.edf.org/climate/methane-studies>

4. <https://www.science.org/doi/full/10.1126/science.aar7204>, <https://www.seas.harvard.edu/news/2021/03/oil-and-natural-gas-production-emit-more-methane-previously-thought>

5. https://business.edf.org/files/Investors-Guide-to-the-OGMP_09.17.21_FINAL.pdf

6. <https://www.ceres.org/news-center/press-releases/major-investors-demand-ambitious-methane-regulations-us>

7. https://ec.europa.eu/commission/presscorner/detail/en/IP_21_4785

8. <http://ogmpartnership.com/partners>

9. https://www.ceres.org/sites/default/files/reports/2021-06/OilandGas_BenchmarkingReport_FINAL.pdf

Report on Climate Transition & Capital Allocation Plan Alignment with 1.5C Target

Kraft Heinz Company

In 2018, the Intergovernmental Panel on Climate Change (IPCC) advised that greenhouse gas emissions must be reduced by 45% by 2030 and reach net zero by 2050 in order to limit warming to 1.5°C, prevent the worst consequences of climate change, and meet the Paris Agreement goals. At the United Nations Climate Change Conference of Parties (COP 26), world leaders signed the Declaration on Forests and Land Use committing to end forest loss and land degradation by 2030.¹

Climate change poses environmental and social harms and presents significant risks to food companies and their supply chains. As it worsens, it will exacerbate biodiversity loss, ecosystem instability, and threaten global access to food.

Companies must act rapidly to reduce emissions in line with science-based goals, as recent studies show that limiting warming below 1.5°C is now extremely unlikely. According to the IPCC, agriculture, forestry, and other land use change is responsible for 23 percent of total net anthropogenic greenhouse gas emissions, nearly half of which is attributable to deforestation. The majority of these emissions are embedded in the production of key agricultural commodities, and fall under scope 3, or indirect, emissions from the supply chain for companies that source, manufacture, distribute, and sell agricultural or food products. Restoring and protecting landscapes and forests is critical, and the role of Indigenous peoples, including respect for their rights, needs careful attention.

As one of the world's largest food and beverage companies, Kraft Heinz sources commodities that have high carbon footprints, including sugar, palm, dairy, cocoa, and beef, which are among the leading drivers of deforestation and land use change globally. Kraft Heinz notes in its CDP report that roughly 80% of our total carbon footprint is produced from our suppliers, particularly in agriculture.

Kraft Heinz has assessed its soy supply chain, committed to source sustainable and traceable palm oil, and to responsibly source tomatoes.² However, Kraft Heinz has not disclosed a climate transition plan and has failed to set the science-based greenhouse gas emissions reduction targets it first announced in 2018, though now states it will set in 2023. It does not disclose how it is aligning its business model, supplier and partner engagement, and capital allocation with a 1.5°C scenario.

Kraft Heinz is falling behind peers, including PepsiCo which committed to source 7 million acres using regenerative agriculture practices. General Mills, Mondelez, and Kellogg's have set emissions reduction targets covering their entire value chains.

Resolved: Shareholders request Kraft Heinz's Board of Directors issue a report, at reasonable expense and excluding confidential information, within a year and updated annually thereafter, on its climate transition plan to align its operations and value chain with the Paris Agreement's ambition of limiting global temperature increase to 1.5°C, including short- medium- and long-term science-based greenhouse gas emissions reduction targets for Kraft Heinz's full carbon footprint (scope 1, 2, and 3), and how capital allocation plans align with the climate transition plans, where relevant.

1. <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>

2. <https://www.kraftheinzcompany.com/esg/pdf/KraftHeinz-2021-ESG-Report.pdf>

HFC Refrigerants

Kroger Co.

Whereas: Hydrofluorocarbons (HFCs) are potent greenhouse gases, with a high global warming potential (GWP) making them hundreds to thousands of times more potent than carbon dioxide (CO₂) in contributing to climate change per unit of mass. Refrigeration systems utilized by Kroger contain HFCs. The Company's reporting indicates refrigerant emissions may account for 63% of its Scope 1 emissions.

Kroger has taken steps to reduce refrigerant leakage in its stores. However, refrigerant emissions cannot be eliminated by reducing leaks alone. As long as companies continue to utilize HFCs, there is reason to believe that their production, usage and ultimate disposal will continue to release HFCs to the environment. That is why Kroger's peers are moving to refrigerants with much lower GWP.

The potential impact on reducing climate change is profound. A recent U.N. report estimates that phasing down HFCs globally will reduce their future warming impact from 0.5°C to less than 0.1°C.¹ In fact, scientists have found we must accelerate the global phasedown of HFCs in order to achieve the goal of limiting global warming to 1.5°C.²

The Board of the Consumer Goods Forum (CGF), a group of major consumer goods retailers and manufacturers of which Kroger is a member, approved a 2016 resolution to mobilize resources towards transitioning away from HFCs. The resolution stated that member companies committed to install new equipment that utilize only natural refrigerants or alternative ultra-low GWP refrigerants effective immediately.³ The CGF defined ultra-low GWP as less than 150. The resolution promised individual targets and action plans toward implementation.

Kroger's 2021 ESG report does not reference any strategy for adopting ultra-low GWP technologies. Instead, Kroger's report specifies GWPs of 1,500 or less.⁴

Kroger lags peers such as ALDI US, which has installed ultra-low GWP refrigeration systems in over 420 stores, and in all new self-contained equipment.⁵ Target and Whole Foods have also adopted ultra-low GWP technologies more widely than Kroger.⁶ Negative media attention on HFCs is increasing,⁷ while peer companies receive a reputational boost.⁸

Proactive adoption of ultra-low GWP technologies would not only reduce Scope 1 emissions but may ultimately be more cost-effective, since trends in Europe indicate HFC prices may rise by up to 1300%.

Resolved: Shareholders request that Kroger issue a report, at reasonable cost and omitting proprietary information, describing how it can adopt strategies above and beyond legal compliance to curtail the predominant source of its operational (Scope 1) GHG emissions, by deploying the best available technological options for eliminating the use of hydrofluorocarbons (HFCs) in refrigeration. The report should describe the extent to which the Company will act consistent with the Consumer Goods Forum commitments on ultra-low GWP refrigerants, including any related capital spending commitments, or explain why the Company is not acting consistent with those commitments.

1. SAP-2018-Assessment-report.pdf (unep.org)

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

3. CGF Refrigerant Resolution #2: <https://www.theconsumergoodsforum.com/wp-content/uploads/2017/11/2018-CGF-Resolutions-and-Commitments.pdf>

4. <https://www.thekrogerco.com/wp-content/uploads/2021/07/Kroger-2021-ESG-Report.pdf>

5. https://hydrocarbons21.com/articles/10105/aldi_us_testing_all_propane_stores_in_addition_to_transcritical_co2

6. <https://www.climatefriendlysupermarkets.org/scorecard>

7. <https://www.washingtonpost.com/climate-environment/2021/02/15/these-gases-your-groceries-freezer-are-fueling-climate-change-biden-wants-fix-that/>

8. https://corporate.aldi.us/fileadmin/fm-dam/newsroom/Press_Releases/ALDI_GreenChill_Press_Release.pdf

External Environmental Costs

3M Company

RESOLVED, shareholders ask that the Board of Directors commission and publish a report on (1) the link between the environmental costs created by 3M's operations and political influence activities and 3M's continuing prioritization of enterprise risk, and (2) the manner in which such costs and prioritization may affect the market returns available to its diversified shareholders.

SUPPORTING STATEMENT:

In our Company's 2021 Sustainability Report, CEO Mike Roman states, We are committed to being leaders in sustainability.¹ A review of that report reveals our Company has addressed many environmental concerns. But 3M's commitment is limited. For example:

- 3M is active in three trade associations that work against comprehensive U.S. policies to address climate change.²
- 3M does not appear to have committed to meet the Science-Based Targets initiative for a 1.5- degree Celsius world³ and failed to receive an A grade in 2020 from CDP, a widely used and respected climate rating.⁴
- Belgian regulators recently ordered 3M to stop PFAS production after recent blood samples taken from 800 people near 3M's plant showed elevated levels of PFAS.⁵

It appears our Company only addresses sustainability issues when that pursuit optimizes 3M's financial return. The Sustainability Report states:

Our priority is the comprehensive management of enterprise risks through an ethical tone, governance processes, and clear roles, responsibilities, and accountability.⁶

This prioritization of risks to the enterprise, rather than risks to the environment, means that 3M only addresses environmental issues that threaten its ability to generate profits. Risks to the global community that do not threaten 3M are not prioritized, so that 3M can continue to profit from conduct that threatens the environment, as it does not create risk for 3M itself.

But a gain in Company profit that comes at the expense of the environment is a bad trade for most 3M shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. A Company strategy that increases its own financial returns but threatens global GDP is counter to the interests of most 3M shareholders: the potential drag on GDP created by environmental costs will directly reduce diversified portfolio returns over the long term.⁷

This proposal asks the Board to commission a report that analyzes the trade-offs 3M is making by prioritizing enterprise risk over risks to the environment and the global economy from the perspective of its largely diversified shareholders, whose investment portfolios may be at grave risk from environmental threats.

The requested report will help shareholders determine whether current Company policies serve shareholders' best interests and whether 3M should prioritize certain environmental issues over financial returns.

1. 3M 2021 Sustainability Report at 3.

2. <https://grist.org/accountability/report-corporations-are-tanking-americas-best-shot-at-fighting-climate-change/>

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

4. https://www.cdp.net/en/responses?per_page=10&queries%5Bname%5D=3m&sort_by=project_year&sort_dir=desc

5. <https://www.startribune.com/3m-fails-to-overturn-regulators-shutdown-of-pfas-production-in-belgium/600114579/>

6. at 95.

7. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Disclose Use of Carbon Credits

Williams-Sonoma, Inc.

WHEREAS: Recent evidence by the Intergovernmental Panel on Climate Change dictates the need to limit global warming to 1.5°C by mid-century to reduce the destructive impacts of climate change. Given the science and growing global impacts of climate change, shareholders are asking companies to take action to align company emissions with this global goal.

Companies have responded to shareholder concern regarding climate change. More than 1,541 companies have now pledged to adopt some form of net-zero targets, although with widely varying timelines for achieving them.

Widespread adoption of net zero targets is critical to achieving global climate goals. Companies and shareholders must have a common understanding of what net zero means, and accepted methods of achieving it. Many companies are relying on offsets to achieve long-term net zero targets, rather than decarbonization of their own enterprise and supply chain emissions.

Shareholders expect companies' use of offsets to align with expert guidance including the Science Based Targets initiative (SBTi) and/or the CA100+ Benchmark. Both emphasize that carbon credits should not be counted toward progress in near-term emissions reductions, and in the long term, carbon offsets should be used only for neutralizing residual emissions where viable decarbonization technologies do not yet exist. Carbon credits can optimally be used to compensate for ongoing emissions while companies reduce emissions over time.

Investors require disclosures on how carbon credits are applied in order to assess whether a company's emissions reduction strategy is science-based and aligned with limiting global warming to 1.5 degrees.

Our Company has committed to reduce operational (Scopes 1-2) emissions 50 percent by 2030 and to achieve carbon neutrality by 2025. Our Company states that it will offset any GHG we don't eliminate, making our impact neutral. This implies that our company does not intend to reduce its full Scopes 1-2 emissions or its Scope 3 emissions, relying instead on carbon credits generated outside of the company to attain carbon neutrality. Investors seek greater clarity from Williams-Sonoma on its use of carbon credits.

BE IT RESOLVED: Shareholders request that Williams-Sonoma issue a report within a year, at reasonable expense and excluding confidential information, disclosing additional information on its use of carbon credits, including type of credits, verification, timing, and whether carbon credits are intended to substitute for emissions reductions beyond current goals.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, the report describe:

- A description of credits purchased;
- The number of credits purchased and retired each year; If and how credits are accounted for in emissions data;
- The amount of carbon credits expected to be used to achieve net zero emissions, including for what scopes of emissions and approximate time frames for use;
- The organization from which offsets and credits are or will be verified;
- The Company's standards or policies for purchasing carbon offsets.

Report on Increasing Scale, Pace & Rigor of GHG Reductions Efforts - Scopes 1-3

Post Holdings Inc

WHEREAS: Climate change presents significant risks to food companies and their supply chains. The 2018 National Climate Assessment found climate change presents numerous challenges to sustaining and enhancing crop productivity, livestock health, and the economic vitality of rural communities, and rising temperatures are the largest contributing factor to declines in the productivity of U.S. agriculture.

According to the Intergovernmental Panel on Climate Change (IPCC), agriculture, forestry, and other land use change is responsible for 23 percent of total net anthropogenic greenhouse gas emissions, nearly half of which is attributable to deforestation. The majority of these emissions are embedded in the production of key agricultural commodities, and fall under scope 3, or indirect, emissions from the supply chain for companies that source, manufacture, distribute, and sell agricultural or food products.

As one of the largest packaged goods companies operating across food categories, Post Holdings, Inc. (Post) sources commodities that have high carbon footprints, including palm oil, soy, beef, and pulp/paper, which are leading drivers of deforestation globally.

The IPCC states restoring landscapes and forests is one of the most cost-effective ways to combat climate change.

In its 2020 10-k, Post acknowledges that climate change impacts could negatively affect business, financial condition, results of operations and cash flow. The Principles for Responsible Investment identifies regulation of greenhouse gases as inevitable. Post also acknowledges the likelihood of future greenhouse gas regulation, but does not disclose how these regulations will impact its operations or financials, nor has the company developed a plan to manage these risks.

Post has limited carbon disclosure for only one of its six brand families and does not have emissions reduction targets, a policy to eliminate exposure to deforestation, or sustainable sourcing policies for commodities other than palm oil. Their inaction has caused the company to fall behind peers like General Mills, Mondelez, and Kellogg's who have disclosed scope 3 emissions and set emissions reduction targets covering their entire value chains.

Post has not responded to shareholder attempts to dialogue on this issue.

RESOLVED: Shareholders request Post's Board of Directors issue a report, by June 2022 and updated annually thereafter, outlining if and how it could increase the scale, pace, and rigor of its efforts to reduce its total contribution to climate change, covering the greenhouse gas emissions of the company's operations as well as its supply chain (scope 1, 2, and 3).

SUPPORTING STATEMENT: Proponents believe meaningful indicators in a report like the one we request could include:

- Disclosure of Post's full carbon footprint including scope 1, 2 and 3 emissions;
- Adopting greenhouse gas emissions reduction targets for Post's full carbon footprint that align with the Paris Climate Agreement's goal of limiting global temperature increases to 1.5°C;
- Increasing the initiatives aimed at reducing the carbon intensity of Post's supply chain, including any use of regenerative agricultural practices;
- Adopting a no-deforestation policy for all relevant commodities.

Align Retirement Plan Options with Climate Action Goals

Comcast Corp.

WHEREAS: Shareholders applaud Comcast for adopting ambitious operational climate goals:

- Recently setting the ambitious goal of being carbon neutral by 2035 in Scope 1 and 2 emissions across entire global operations.
- Committing to purchasing 100% renewable energy for cable facilities and network operations in Houston, Texas.
- Installing fuel efficiency software in 17,500 of cable vans and trucks between 2016 and 2018.

While the Company has made significant efforts to address climate change across its operations, data from Securities and Exchange Commission (SEC) filings demonstrates misalignment between the Company's sustainability goals and investment options offered through the Comcast Corporation Retirement-Investment Plan.

Every investment fund offered by the Comcast retirement plan, including the default option (holding 52% of employee investments), contains major oil and gas, fossil-fired utilities, coal, pipelines, oil field services, or companies in the agribusiness sector with deforestation risk.

A recent scorecard, produced by investor representative As You Sow, shows that the Comcast retirement plan default option is rated poor due to significant investments in fossil fuel companies and companies with deforestation risk.

Comcast's retirement plan currently offers no diversified equity funds that are low carbon, defined as intentionally avoiding investments in fossil fuels companies, companies with deforestation risk, and companies with high carbon emissions. It offers zero funds screened for environmental/social impact.

As a result of these limited options, the vast majority of the \$15.1 billion employee retirement dollars invested through the Comcast Corporation Employee Savings Plans Master Trust as of December 2020 was invested in funds rated poorly on carbon emissions.

Comcast's investment in high carbon companies through its retirement plan choices directly contradicts the climate reduction actions it has committed to take in its operations, creating cognitive dissonance and reputational risk. This may also make it more difficult to retain employees who are increasingly concerned about catastrophic climate impacts. The climate impact of continuing to choose high carbon retirement plan investments options over low carbon choices raises red flags for the Company's reputation.

BE IT RESOLVED: Shareholders request the Board, at reasonable expense and excluding proprietary information, prepare a report reviewing the Company's retirement plan options with the board's assessment of how the Company's current retirement plan options align with its climate action goals.

SUPPORTING STATEMENT: Proponent suggests the report include, at Board discretion:

- How Comcast could provide employees with more sustainable investment options such as a default option that is better aligned with global and Company climate goals;
- If the Board does not intend to include additional low carbon investment options in its employee retirement plan, a statement of the basis for its decision.

Amazon 401(k) Climate Alignment

Amazon.com, Inc

WHEREAS: Shareholders applaud Amazon for adopting ambitious operational climate goals:

- Amazon committed to achieve net-zero carbon emissions by 2040. Including to power operations with 100% renewable energy by 2025.¹
- Shipment Zero: The company's vision is to make all Amazon shipments net zero carbon, delivering 50% of shipments with net zero carbon by 2030.² Recent actions include ordering a fleet of 100,000 electric delivery vehicles.
- Commitment to address UN Sustainable Development Goal 13 on Climate Action.

While the Company has made significant efforts to address climate change across its operations, data from Securities and Exchange Commission (SEC) filings demonstrates misalignment between the Company's sustainability goals and investment options offered through the Amazon 401(k) Plan.

Every investment fund offered by the Amazon retirement plan, including the default option (holding 52% of employee investments), contains major oil and gas, fossil-fired utilities, coal, pipelines, oil field services, or companies in the agribusiness sector with deforestation risk.

A recent scorecard, produced by investor representative As You Sow, shows that the Amazon retirement plan default option is rated poor due to significant investments in fossil fuel companies and companies with deforestation risk.³

Amazon's retirement plan currently offers no diversified equity funds that are low carbon, defined as intentionally avoiding investments in fossil fuels companies, companies with deforestation risk, and companies with high carbon emissions. It offers only one fund screened for environmental/social impact.

As a result of these limited options, the vast majority of the \$12.8 billion employee retirement dollars invested through the Amazon 401(k) Plan as of December 2020⁴ was invested in funds rated poorly on carbon emissions.

Amazon's investment in high carbon companies through its retirement plan choices directly contradicts the climate reduction actions it has committed to take in its operations, creating cognitive dissonance and reputational risk. This may also make it more difficult to retain employees who are increasingly concerned about catastrophic climate impacts. Amazon Employees for Climate Justice staged a walk-out to publicly criticize the Company's contribution to climate change.⁵ The climate impact of continuing to choose high carbon retirement plan investments options over low carbon choices raises red flags for the Company's reputation.

BE IT RESOLVED: Shareholders request the Board, at reasonable expense and excluding proprietary information, prepare a report reviewing the Company's retirement plan options with the board's assessment of how the Company's current retirement plan options align with its climate action goals.

SUPPORTING STATEMENT: Proponent suggests the report include, at Board discretion:

- How Amazon could provide employees with more sustainable investment options such as a default option that is better aligned with global and Company climate goals;
- If the Board does not intend to include additional low carbon investment options in its employee retirement plan, a statement of the basis for its decision

1. <https://sustainability.aboutamazon.com/pdfBuilderDownload?name=sustainability-all-in-september-2020>

2. <https://sustainability.aboutamazon.com/environment/sustainable-operations/shipment-zero>

3. <https://investyourvalues.org/retirement-plans/amazon-com>

4. <https://investyourvalues.org/files/amazon-com/amazon-401k-plan-form-5500-filing-and-attachment-2020.pdf>

5. <https://www.inc.com/minda-zetlin/350-amazon-employees-public-statement-policy.html>

Water Management Risks

Kraft Heinz Company

WHEREAS: Water is a vital resource for communities, ecosystems, and companies. Yet, poor water management and climate change are contributing to water shortages and water pollution nationwide and globally. Competition for water, weak regulation, growing demands, aging infrastructure, water scarcity and water contamination are all sources of material financial risks for companies.

Climate change exacerbates these risks. According to the Intergovernmental Panel on Climate Change August 2021 report, climate change is intensifying the water cycle, resulting in more intense droughts and rainfall linked to flooding. The TCFD recommends water risk disclosure saying: Organizations' financial performance may also be affected by changes in water availability, sourcing, and quality; food security...

To identify water risk and reduce costs, many companies — including Conagra Brands, General Mills, Kellogg Company, Nestlé, and Unilever — conduct water risk assessments for both operations and supply chains. However, Kraft Heinz conducts a water risk assessment only for direct operations. The company claims in its 2020 ESG Report that it is committed to water stewardship in every facet of our business, from our quality controls to the relationships we have with our growers and suppliers. Despite ranking Water Use & Conservation as one of the top issues in its materiality assessment, Kraft Heinz entirely fails to account for the water footprint of its agricultural supply chain, which for food companies often represents a major source of water risk.

Kraft Heinz conducted a supply chain risk assessment for human rights but has not disclosed conducting similar assessments for water. Yet Kraft Heinz clearly recognizes the materiality of water to its business, noting in its 2020 Sustainability Report, As a food and beverage company, having access to sufficient amounts of quality fresh water, both now and in the future, is critical to our business. Water is used in many areas of our value chain. It is a vital input for growing various agricultural ingredients we use in our products.

Without a full value chain water risk assessment and disclosure of quantitative performance metrics and best practice strategies for water management targeted to the areas of water stress, investors cannot gauge whether Kraft Heinz is adequately managing its water risk.

RESOLVED: Shareholders request that Kraft Heinz report to shareholders, using quantitative indicators where available, an assessment to identify, considering the growing pressures on water supply quality and quantity posed by climate change, its total water risk exposure, and policies and practices to reduce this risk and prepare for water supply uncertainties associated with climate change.

SUPPORTING STATEMENT: Proponents request the report disclose, at management's discretion:

- Results of comprehensive water risk assessments for operations and supply chain
- Water scarcity planning, including identifying at risk facilities and supply chains
- Targets to reduce water withdrawals, water discharges, and replenish water resources
- Any monitoring of water resources
- Any integration of water management into governance mechanisms
- Any water-related engagement with value chain partners

Water Management Risks

Alphabet, Inc.

WHEREAS: Climate change is expected to exacerbate water shortages globally. NASA, using array of satellites, has observed a distinctive pattern of the wet land areas of the world getting wetter and the dry areas in between getting dryer, increasing regional droughts, and resulting in hotspots of groundwater depletion.

Increasing drought and water scarcity poses an outsize risk to Google, whose data centers require substantial amounts of water for cooling. Our Company also faces risks due to competition for water resources by local communities or other companies or industries.

To reduce water risk and reduce costs, many large companies have developed water planning measures, water conservation programs, and reporting of water stress and water use, among other practices. Google's 2021 Water Stewardship Report indicates an understanding of the important role of water scarcity management, describing generalized commitments to improve its operational water sustainability, including a goal to replenish more water than we consume by 2030.

Google further states the importance of water-related data, describing a tool it helped develop which aims to democratize information on water resources and empower policymakers, conservation organizations, and communities to better manage water resources collectively.

Yet, despite acknowledging the importance of these issues, our Company offers no recent reporting on its total enterprise-wide water use, nor does it disclose annual water use or other risk metrics by location. In fact, Google states that its local water use information, and its water use agreements with local governments, are trade secret. The company has claimed that public officials cannot disclose the company's water consumption and may not respond to public record act requests seeking information about Google's actual and proposed water use. This behavior has led to lawsuits, ill-will, and reputational damage.

Disclosure of location-specific water use metrics and management actions is the primary means by which investors can gauge whether our Company is sufficiently managing its water risk. Companies such as Coca-Cola provide in-depth water reporting including information on water-stressed areas. Google has not provided adequate information to shareholders on its location-specific water use, impacts, and actions so as to allow shareholders to accurately gauge localized water stress trends and risks, which are expected to be exacerbated by climate change.

BE IT RESOLVED: Shareholders request that Google annually report, at reasonable cost, quantitative water-related metrics by location, including data centers, and for each location, practices implemented to reduce climate-related water risk.

SUPPORTING STATEMENT: Proponents request the report disclose, at management discretion:

- Annual water use-related metrics by location, including for data centers;
- Any location-specific water reduction targets and annual progress in achieving them;
- Location-specific risk assessments and water scarcity planning;
- Any integration of water and company governance mechanisms;
- Any compensation incentives related to water use reductions.

Report on Oil and Gas Exploration in the Arctic

Chevron Corp.

WHEREAS: Petroleum development in ecologically sensitive and biologically rich protected areas poses material financial, climate, and reputational risks.

The Arctic National Wildlife Refuge, for example, is home to over 200 bird species, 42 species of fish, and 45 mammals, including four threatened species protected under the Endangered Species Act. The Bureau of Land Management calculated that burning all the oil in the Arctic Refuge would release over 4.3 gigatons of CO₂e.

At its 2020 Annual Meeting of Stockholders, Chevron declared its support for exploration and development in the Arctic National Wildlife Refuge Coastal Plain. Chevron and BP have the first and only test well in the Refuge. While Chevron did not bid at the initial Arctic Refuge lease sale, the Journal of Petroleum Technology noted in October 2021 that Chevron does not appear to be leaving the scene anytime soon, in reference to Alaska's North Slope.

Pursuit of drilling and related activities in the Arctic Refuge could expose Chevron to considerable material financial risk:

- **Regulatory:** The political landscape creates uncertainty for developing the Refuge; any developments could become stranded assets. The Interior Department has suspended current oil and gas leases in the Refuge, and the House of Representatives has passed legislation including provisions for the repeal of the Arctic Refuge Oil and Gas Leasing Program.
- **Liability:** In its 2020 10-K, Chevron identifies liability for accidental, unlawful discharge even without regard to the company's causation of or contribution to the asserted damage as a risk, and acknowledges it is self-insured to a substantial extent for potential liabilities. The Trans-Alaska Pipeline will transport oil from the Arctic Refuge. Oil spills have occurred along the pipeline and around Prudhoe Bay, the pipeline's northern terminus, including a three-week-long spill in 2020.
- **Price risk:** Oil spills negatively affect stock prices. Chevron's share price declined 8.5% in the weeks after a public announcement of an 800,000 gallon spill at a Chevron oil well. BP's stock dropped 54% as a result of the Deepwater Horizon oil spill.
- **Constrained access to capital:** Six major American banks now refuse to finance oil and gas exploration in the Arctic Refuge.
- **Reputational:** Reputationally damaging events have financial consequences. BP lost 38% of its American clients after the 2010 oil spill. 67% of Americans oppose drilling in the Arctic Refuge. In 2020, 259 organizations, representing more than 27 million members, launched a campaign against Chevron regarding Arctic drilling.

Beyond the Arctic Refuge, drilling anywhere in the Arctic threatens Indigenous rights, impacts fragile ecosystems, and exacerbates climate-related risks.

RESOLVED: Shareholders request that the Board of Directors issue a public report, within a reasonable time, assessing the benefits and drawbacks of committing to not engage in oil and gas exploration and production in the Arctic, particularly in the Arctic Refuge, as well as the financial and reputational risks to the company associated with such development.

Corporate Governance

Sound corporate governance structures serve as the bedrock for healthy, long-term financial performance, creating value for all stakeholders. Key pillars of good corporate governance supported by ICCR members include access to the proxy, the annual election of boards of directors, executive compensation packages tied to long-term ESG performance goals, equitable vote-counting-methods, and separation of the roles of CEO and Board Chair for improved accountability.

Our members filed 73 governance resolutions in 2022, a significant increase due largely to new membership. In addition to the traditional governance asks, new resolutions asked companies to **reincorporate with a deeper purpose**, or to report on the **externalization of environmental and social costs**, and to reconsider the **prioritization of corporate profits over the safeguarding of the broader global economy**. Three additional proposals dealt with consumers’ **“right to repair”** their own equipment and electronics.

Shareholder Proxy Access

Boards of directors provide critical oversight and serve as a vital check to executive power and decision-making. Proxy access allows shareholders to



Corporate Governance 73

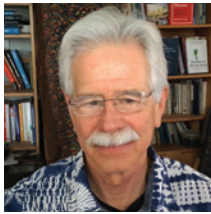
Proposal Topic	Quantity
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For the full list of investors who filed these resolutions, see p. 281.

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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

put forward their own candidates for a company’s board of directors who can bring a more diverse perspective to decision-making and break through potential logjams. A prime example of this occurred last year when hedge fund Engine No. 1 nominated three climate-focused directors to the board of oil giant ExxonMobil, a move overwhelmingly supported by the company’s shareholders.

In a significant increase from prior years, ICCR members filed 17 resolutions calling for broader proxy access for shareholders at companies such as **Apple, Tesla, Travelzoo** and **Yelp** – a significant increase from past years which saw



Jim McRitchie, Shareholder Advocate — CorpGov.net

The wealthiest 10% of Americans own 89% of all U.S. stock. Political gridlock is directly correlated with wealth inequality. Because corporations are such a dominant force in society, we cannot have real political democracy without more democratic corporate governance. Dual-class shares and stock incentives for top executives have led us in the wrong direction.

Previously, we asked companies to include employees in board candidate pools. However, even public pension funds, with workers on their boards, saw this as a European import without the necessary supporting infrastructure or culture. In contrast, employee ownership has a long tradition of bipartisan support.

Our proposals in 2022 at more than a dozen companies focus on disclosing share incentives (and voting power) awarded to employees at all levels. Like initiatives on climate change, diversity, and political contributions, first, we seek disclosure. Pay ratios will look minuscule compared to stock incentive ratios.

With increased disclosure, we can then focus on **creating ownership cultures**. Reallocating incentive shares and votes to lower-level employees is correlated with increased productivity, fewer layoffs, better employee compensation/benefits, higher median household wealth, longer job tenure, and reduced racial/gender wealth inequality.

Our ability to align corporate values with American values depends on workers having a real voice in how corporations are governed. More equitable distribution of share ownership could tip the balance.

only occasional filings on the topic. The Tesla and Yelp resolutions called on their boards to give shareholders with aggregated ownership of three percent of stock access to the proxy, paving the way for employee-owners and other stakeholders to join together with institutional investors to nominate candidates to the board. The Apple resolution called for a change to the company's bylaws to increase the potential number of candidates shareholders can nominate to the board to two, or 20 percent of directors, whichever is greater.

CEO Compensation to Weigh Workforce Pay and Ownership

The vast gap between U.S. CEO and median employee pay continues to widen; the current reported ratio stands at 172:1. Meanwhile, inflation-adjusted wages for American workers have stagnated since the 1970s as the country experiences growing inflation.

In an attempt to address this dynamic, ICCR members filed a new type of CEO pay resolution at 10 companies, calling on their compensation committees to take into consideration the pay grades, salary ranges, and stock ownership of all classes of company employees when setting target amounts for CEO compensation. Investors believe that such a change would foster an "ownership culture" among employees which studies have shown to correlate with better firm performance. Targeted companies include **Bank of America, Bristol-Myers Squibb, Chipotle and Goldman Sachs**.

A related group of resolutions more directly focused on U.S. wealth inequality called on five companies to address wealth inequality through an ownership culture. Companies receiving this resolution include **Amazon, Meta and NVIDIA**.

Curtail Activities that Externalize Social and Environmental Costs

Beta, or overall financial market return, is dependent on a healthy economy, which in turn relies on healthy social and environmental systems. But the health of those systems is frequently jeopardized by corporate practices that externalize the social and environmental costs of company operations and products, reducing the value of the economy. These systemic risks have consequences for investors with diversified portfolios.

ICCR members called on **BlackRock**, the world's largest asset manager, to adopt practices designed to curtail corporate activities that externalize social and environmental costs that are likely to decrease the returns of diversified portfolios.

Reincorporate with a Deeper Purpose

A recent study found that companies create annual externalized social and environmental costs of \$2.2 trillion, including pollution, climate change, and poor employee health. In 2019, the Business Roundtable — an association of leading U.S. corporate CEOs — issued a watershed Statement on the Purpose of a Corporation, which challenged the maxim of shareholder primacy to acknowledge the importance of all corporate stakeholders including customers, employees, communities, and suppliers. Investors are watching to see whether U.S. corporations will make manifest this statement via changes in policies and practices.

Citing the BRT Statement, investors asked **Apple** to become a social purpose corporation and adopt specific social purposes such as benefitting its employees, customers, society, or the environment.



Right to Repair

In recent years tech companies Apple and Alphabet have come under heavy criticism from right-to-repair advocates for denying their customers access to repair materials such as manuals, spare parts, and repair software, and deliberately designing their products to hinder third-party repair, all the while lobbying vigorously against Right to Repair reforms. John Deere, meanwhile, forbids nearly all repairs and modification of its farming equipment; it has made its tractors so difficult to fix that farmers have learned basic hacking techniques to keep them working.

Investors asked **Alphabet** and **Apple** to report on the environmental and social benefits of making their devices more easily repairable by consumers and independent repair shops; both resolutions also emphasized the GHG emissions savings to be had by extending their products' lifecycles. The **Deere** proposal asked the company to report on emerging state and federal Right to Repair legislation.

Address Wealth Inequality Through an Ownership Culture

Meta (Facebook Inc.)

Similar resolutions were submitted to Amazon, NVIDIA, PetMed Express, and Repligen.

RESOLVED: Meta Platform Inc (Company) shareholders request the Board's Compensation, Nominating and Governance Committee (Committee) issue a report annually assessing the distribution of stock ownership incentives throughout the workforce (such as but not limited to performance share units, employee stock purchase plans, restricted stock units, and options). The report should include a matrix, sorted by EEO-1 employee classification or another appropriate classification scheme with four or more categories chosen by the Committee, showing aggregate amounts of stock ownership granted and utilized by all U.S. Company employees and including associated voting power, if any. The report should be prepared prior to or concurrent with issuance of the next annual proxy statement.

SUPPORTING STATEMENT:

Wealth inequality in the United States has increased dramatically,¹ is widely recognized as a significant social policy issue,² and brings many problems, such as political polarization.³ Employee ownership is key to addressing this social policy in a bipartisan manner.⁴

Providing stock ownership incentives to boards and executives but not to all U.S. company employees has led to glaring inequality. Our Company's pay ratio is small, 96 to 1, because Mr. Zuckerberg's pay, at his choosing, consisted almost entirely of costs related to personal security. A similar ratio comparing stock ownership by named executives with those of typical U.S. employees would be much higher at our Company and nationally at other companies.

From 1973 to 2018, inflation-adjusted wages for nonsupervisory American workers were flat. Meanwhile, a dollar's worth of stock grew (in real terms) to \$14.09. Hourly wages stagnated. Income from capital ownership accelerated. The top 10% of American households earned 97% of capital gains. Typical white families own nearly 10x the average Black family. Single women own only 36% of what typical men own. That gap is greater for women of color.⁵ Strengthening employee ownership would help address these inequities.⁶

Our Company recognizes stock ownership as an incentive for directors and named executives, reporting annually on utilization. We ask our Company to track and disclose similar information and associate voting power for all U.S. employees using meaningful classifications.

Widespread employee ownership is correlated with better firm performance, fewer layoffs, better employee compensation and benefits, higher median household wealth, longer median job tenure, and reduced racial and gender wealth gaps.⁷ Our Company should educate and promote ownership plans and progress towards an engaged employee ownership culture.⁸

Employee engagement and trust are crucial to success. Expanding the Committee's perspective beyond executive compensation would give them a better grasp on how human talent matters for the company's business strategy and operations.⁹ Our Company could benefit shareholders and the economy by leading on this issue.

1. <https://inequality.org/facts/wealth-inequality/>

2. <https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic...>

3. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2649215

4. <https://thehill.com/blogs/congress-blog/politics/512413-employee-owners...>

5. <https://ownershipamerica.org/the-problem/>

6. <https://smlr.rutgers.edu/sites/default/files/Documents/Centers/Institut...>

Footnotes 7-9 missing

Reincorporate with Deeper Purpose

Apple Computer, Inc.

RESOLVED: Shareholders request our Board of Directors take steps necessary to amend our articles of incorporation and, if necessary, bylaws (including presenting such amendments to shareholders for approval) to become a Social Purpose Corporation and to adopt specific social purposes such as (A) benefitting (1) the corporation's employees, suppliers, customers, and creditors; (2) the community and society; and (3) the environment and (B) exercising reasonable care to ensure that the Company's operations do not impose social and environmental costs that materially contribute to the degradation or destruction of important social and environmental systems.

SUPPORTING STATEMENT: Apple's CEO Tim Cook signed the Business Roundtable Statement on the Purpose of a Corporation (the Statement).¹ We applaud the Statement, which proclaims we share a fundamental commitment to all of our stakeholders.... We commit to deliver value to all of them, for the future success of our companies, our communities and our country.

However, Apple incorporated with an uninspiring purpose:

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California...

Rechartering around deeper social purposes would help Apple align all actions around common goals. It would motivate shareholders, employees, and other stakeholders, guiding our Company on a more inspiring mission than engaging in any lawful act or activity.

Purpose is the most distilled form of strategy. It clarifies how a corporation should spend its time and resources. It aligns all actions around a common goal. And it motivates all stakeholders through a mission that is more inspiring than profit maximization.²

Our employees are striving to address issues such as climate risk, wealth inequality, diversity, equity, and inclusion. We should identify employee values through Slack³ or other channels and adopt specific social purposes in better alignment. Apple should also explore policies and practices to embed and amplify worker voice inside corporate decision-making and accountability systems.⁴ Millennial employees, consumers, and investors will fact check claims and callout companies that fail to live up to their own rhetoric, often with significant economic consequences.⁵

A recent study determined that listed companies create annual social and environmental costs of \$2.2 trillion. These costs have many sources, including pollution, climate change and employee stress.⁶ Being guided by a legally adopted North Star would likely lead Apple to further reduce externalized costs and even more fully engage stakeholders.

By adopting specific social purposes our stakeholders will know Apple's values are built into Apple's very reason for existing. Those social purposes would not be seen as public relations statements that can be changed according to the latest fad. Our social purposes will be our North Star, guiding and engaging stakeholders on a path to a better future.

1. <https://s3.amazonaws.com/brt.org/BRT-StatementonthePurposeofaCorporationOctober2020.pdf>

2. <https://www.harpercollins.com/products/accountable-michael-olearywarren-valdmanis?variant=32127314755618>

3. <https://www.theverge.com/22659497/apple-slack-organizing-zoe-schiffer-decoder-interview>

4. <https://www.aspeninstitute.org/our-people/>

5. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3918443

6. <https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf>

CEO Compensation to Weigh Workforce Pay and Ownership

Kellogg Company

Similar resolutions were submitted to 3M Company, Bank of America Corp., Bristol-Myers Squibb Company, Chipotle Mexican Grill, Inc., Goldman Sachs Group Inc., International Business Machines Corp. (IBM), Johnson & Johnson and Kimberly-Clark.

RESOLVED: Shareholders of Kellogg Company (Company”) request the Management Development and Compensation Committee (Committee) of the Board of Directors take into consideration the pay grades, salary ranges, and stock ownership incentives (such as, but not limited to, stock grants, performance share units, employee stock purchase plans, restricted stock units, and options) of all classifications of Company employees when setting target amounts for CEO compensation. The Committee should describe in the Company’s proxy statements for annual shareholder meetings how it complies with this requested policy. Compliance with this policy is excused where it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan.

SUPPORTING STATEMENT:

To ensure that our Company’s CEO compensation is reasonable relative to our Company’s overall employee pay philosophy and structure, the Committee should also consider the pay grades, salary ranges, and stock ownership incentives of all Company employees when setting CEO compensation target amounts.

This proposal does not require the Committee to use other employee pay data in a specific way to set CEO compensation targets. Under this proposal, the Committee will have discretion to determine how other employee pay and stock incentives should impact CEO compensation targets.

The current system of determining CEO compensation without fully considering the pay, including stock ownership, of average company employees has led to glaring inequality between the CEO. The last reported ratio of the CEO’s annual total compensation to that of the median employee’s total annual compensation was 279:1. A similar ratio focused on stock ownership would probably be higher. From 1973 to 2018, inflation—adjusted wages for nonsupervisory American workers were essentially flat.¹ Meanwhile, a dollar’s worth of stock grew (in real terms) to \$14.09.² Those working for a living have seen their incomes stagnate, while those with significant income from capital ownership have done very well.

Our Company has stock incentive plans for employees but should track and disclose the percentage of employees who participate and at what rates. Our Company should measure and disclose its progress towards an employee ownership culture.³

Employee ownership is correlated with better firm performance, fewer layoffs, better employee compensation and benefits, higher median household wealth, longer median job tenure, and reduced racial and gender wealth gaps.⁴

Employee engagement and trust are crucial to success. Chief Justice Strine and Kirby M. Smith, wrote that expanding the compensation committee’s perspective beyond executive compensation would make the committee think about the company’s workforce as a whole and result in directors who have a better grasp on how human talent matters for the company’s business strategy and operations.⁵

1. <https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-re...-decades/>

2. http://moneychimp.com/features/market_cagr.htm

3. <https://smr.rutgers.edu/faculty-research-engagement/institute-study-em...>

4. <https://www.nceo.org/article/research-employee-ownership>

5. <https://www.edelman.com/trust/2021-trust-barometer/belief-driven-employ...-compact>

CEO Compensation to Weigh Workforce Pay

PPG Industries, Inc.

RESOLVED: Shareholders of PPG Industries, Inc. (the Company) request that when setting target amounts for CEO compensation, the Compensation Committee of the Board of Directors take into consideration the compensation of the Company's employees and any other workforce that the Compensation Committee determines to be relevant to the Company's business operations. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan.

SUPPORTING STATEMENT

This proposal encourages the Compensation Committee to consider whether the CEO's compensation is internally aligned with the Company's compensation practices for its employees as well as the compensation of any other workforce that is relevant to the Company's business operations. Under this proposal, the Compensation Committee will have discretion to determine how employee and other workforce compensation should influence CEO compensation.

This proposal does not require the Compensation Committee to use worker compensation data in a specific way to set CEO compensation. Rather, it is a suggested enhancement to the Compensation Committee's process for setting target amounts for the CEO's compensation. Under this proposal, how the Compensation Committee would consider employee compensation and other workforce compensation is within its discretion. The Compensation Committee also will retain authority to consider any other information when setting CEO compensation targets.

This proposal provides flexibility to consider the compensation of any other workforce that the Compensation Committee determines to be relevant to the Company's business operations. For example, our Company has developed customer-facing digital technology platforms such as PPG Services for commercial businesses and Paintzen for residential customers. We believe that the workforces employed via these platforms are a material part of the Company's value chain and therefore the compensation of these workforces is relevant information.

Like at many companies, our Company's Compensation Committee has used a peer group of what other companies pay their CEOs to set its target CEO pay. Over time, using peer group benchmarks as the primary measure to set CEO compensation targets can lead to pay inflation. Although many companies target CEO compensation at the median of their peer group, certain companies have targeted their CEO's pay above median. In addition, peer groups can be cherry-picked to include larger or more successful companies where CEO compensation is higher.

To ensure that our Company's CEO compensation is reasonable relative to our Company's overall compensation philosophy and structure, we believe that the Compensation Committee should also consider the compensation of Company employees and other relevant workforces when setting CEO compensation. We note that in 2020, the Company's median employee compensation was \$43,783 and the Company's CEO to median employee pay ratio was 363:1.

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

Shareholder Proxy Access

Tesla Inc.

Similar resolutions were submitted to Alarm.com Holdings, Inc., Apple Computer, Inc., Celldex Therapeutics, Inc., Charles River Laboratories International, Charles Schwab Corporation (The), DexCom Inc., Exact Sciences Corporation, FactSet Research Systems, Impinj, Inc., Iovance Therapeutics Inc., Lantheus Holdings Inc., Redfin Corporation, STERIS plc, Stryker Corporation, Travelzoo, and Yelp Inc.

RESOLVED: Shareholders of Tesla Inc (Company) request our Board of directors take the steps necessary to enable shareholders, without limits on group size, to aggregate their shares to equal 3% of our stock owned continuously for 3 years to enable shareholder proxy access with the following essential provision:

- Nominating shareholders and unlimited groups of shareholders must have owned at least 3% of the Company's outstanding shares of common stock continuously for a period of at least 3 years.
- The essential feature requested may allow employee owners to combine with institutional investors to nominate candidates.

SUPPORTING STATEMENT: Proxy access enables shareholders to put competing director candidates on the company ballot to see if they can get more votes than some of management's director candidates. This proposal helps ensure our Board will nominate directors with outstanding qualifications to avoid giving shareholders a reason to exercise access rights.

Proxy Access in the United States: Revisiting the Proposed SEC Rule,¹ a cost-benefit analysis by CFA Institute, found proxy access would benefit both the markets and corporate boardrooms, with little cost or disruption, raising US market capitalization by up to \$140.3 billion. Governance Changes through Shareholder Initiatives: The Case of Proxy Access² found a 0.5 percent average increase in shareholder value for proxy access targeted firms. Because of the group limits, the rule has only been used once, so actual benefits have gone unrealized.

Proxy access has been adopted by major companies, including 78% of the S&P 500. Adoption of this proposal will make our Company more competitive in its corporate governance. Two of our largest shareholders, BlackRock and Vanguard, voted in favor of 87% and 91% of shareholder proposals, respectively, to establish proxy access during the last 3.5 years.

Adding urgency to this proposal is a recent study finding directors generally do not want to monitor and are not sure they can do so effectively.³ Corporate governance expert Nell Minow offered the following: Usually directors at least pretend to acknowledge their legal obligation to provide oversight of CEOs on behalf of shareholders. This acknowledgment that directors see themselves as corporate cheerleaders instead of skeptics whose job is to push back, question, and insist on better is further proof that shareholders will need to support more Engine No. 1-style challenges.⁴

Eliminating group limits would allow employee-shareholders with small holdings to join in nominating groups, opening communication channels between our Board and workers. Proxy access directors nominated by such groups may be more able to effectively monitor than typical outside directors and would bring a host of additional benefits.⁵

Footnotes not provided

Independent Board Chair

Amazon.com, Inc

RESOLVED: Shareholders of Amazon.com Inc. (Amazon or the Company) urge the Board of Directors (the Board) to adopt a policy to require that the Chair of the Board be an independent director who has not previously served as an executive officer of the Company. This policy should be implemented so as not to violate any contractual obligations, with amendments to the Company's governing documents as needed. The policy should specify procedures for selecting a new independent Chair if the current Chair ceases to be independent between annual meetings of shareholders. Compliance with the policy may be excused if no independent director is available and willing to be Chair.

SUPPORTING STATEMENT: Amazon's former Chief Executive Officer (CEO) Jeff Bezos also serves as Board Chair. We believe that having the former CEO serve as the Board Chair weakens a corporation's governance, which can harm shareholder value. The Board's oversight of management can be diminished when the Chair is not an independent director.

An independent Chair will be particularly useful at Amazon to provide more robust oversight of risk, including on environmental, social, and governance issues. An independent Chair will strengthen the ability of the Board to provide objective feedback to the CEO and enhance management accountability.

According to Institutional Shareholder Services, the past decade has witnessed a significant rise in the number of companies with independent Chairs and a corresponding decline in the prevalence of combined CEO-Chairs.¹ In 2019, 34 percent of S&P 500 companies had an independent Chair, up from 31 percent in the previous year and 16 percent in 2009.²

According to Glass Lewis, shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exists when a CEO or other executive also serves as chairman.³

Amazon continues to face harsh criticism over its relationships with key constituencies including small businesses,⁴ workers,⁵ and communities in which it operates.⁶ Amazon's alarming workplace health and safety⁷ record related to COVID-19⁸ and its surveillance technology have fueled concerns.⁹ Furthermore, Amazon's gender¹⁰ and racial¹¹ diversity criticisms and human resources failures¹² including inhumane productivity quotas¹³ and alleged constant surveillance of its employees are compounded by the fact that Amazon's warehouse employees are overwhelmingly people of color.¹⁴

Despite Amazon's rapid growth these controversies and operating challenges threaten to damage our Company's corporate reputation and financial performance. An independent Chair would more likely result in improved policies and practices to mitigate these business risks.

We urge Amazon's Board to adopt an independent chair policy that will help to restore and protect the balance between profit maximization and a key driver of long-term success: its employees.

1. <https://www.issgovernance.com/library/independent-board-leadership-matters/>
2. https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf
3. <https://www.glasslewis.com/wp-content/uploads/2016/03/2016-In-Depth-Report-INDEPENDENT-BOARD-CHAIRMAN.pdf>
4. <https://www.yalelawjournal.org/note/amazons-antitrust-paradox>; https://ilsr.org/amazons_tollbooth/
5. <https://www.vice.com/en/article/5dp3yn/amazon-leaked-reports-expose-spying-warehouse-workers-labor-union-environmental-groups-social-movements>; <https://www.vox.com/recode/2020/10/6/21502639/amazon-union-busting-tracking-memo-spic>
6. <https://www.nytimes.com/2019/02/14/opinion/amazon-hq2-new-york.html>; <https://www.theatlantic.com/business/archive/2018/02/amazon-warehouses-poor-cities/552020/>
7. <https://www.revealnews.org/article/how-amazon-hid-its-safety-crisis/>
8. <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>
9. <https://www.washingtonpost.com/technology/2019/11/19/police-can-keep-ring-camera-video-forever-share-with-whomever-they-like-company-tells-senator/>; <https://www.nytimes.com/2020/11/27/opinion/amazon-halo-surveillance.html>
10. <https://www.nytimes.com/2017/10/20/technology/amazon-sexual-harassment.html>
11. <https://www.nytimes.com/2020/06/24/technology/amazon-racial-inequality.html>
12. <https://www.nytimes.com/2021/10/24/technology/amazon-employee-leave-errors.html>
13. <https://www.fastcompany.com/90647379/9-devastating-takeaways-from-nyts-massive-report-on-amazon-workers-during-the-pandemic>
14. <https://www.seattletimes.com/business/amazon/new-amazon-data-shows-black-latino-and-female-employees-are-underrepresented-in-best-paid-jobs/>

Independent Board Chair

Meta (Facebook Inc.)

Similar resolutions were submitted to Bristol-Myers Squibb Company, Eli Lilly and Company and ExxonMobil Corporation.

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

Supporting Statement: Facebook CEO Mark Zuckerberg has been Board Chair since 2012. His dual-class shareholdings give him approximately 58% of Facebook's voting shares while holding only 14% of the economic interest, leaving the Board, even with a lead independent director, with only a limited ability to check Mr. Zuckerberg's power. We believe this weakens Facebook's governance, accountability, and oversight of management. Selecting an independent Chair would free the CEO to focus on managing the Company and enable the Chairperson to focus on oversight and strategic guidance.

Facebook has resisted recent shareholder requests to separate these roles. The last three years, the same proposal received a majority vote of independent shareholders at the Company's annual stockholder meeting. Despite clearly demonstrated shareholder concern regarding the Board's leadership structure, the Company has not acted on this important signal from its non-insider shareholders.

Alphabet, Microsoft, Apple, and Twitter all have separate CEO and chairperson roles. Fifty five percent of S&P500 firms maintain split roles between the CEO and Chair, according to a 2020 Spencer Stuart report.

We believe the lack of an independent board Chair and oversight has contributed to a pattern of governance failings, including Facebook missing or mishandling a myriad of severe controversies, increasing risk exposure and costs to shareholders. Most recently, Facebook reportedly shelved what was to be a public report revealing the most widely viewed post in the first quarter of 2021 suggested the COVID-19 vaccine was involved in a doctor's death. Researchers recently found misinformation is six times more likely to be read on the social media platform than factual news.¹

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

1. Dwoskin, Elizabeth. Misinformation on Facebook got six times more clicks than factual news during the 2020 election, study says. *The Washington Post*, September 4, 2021, available at: <https://www.washingtonpost.com/technology/2021/09/03/facebook-misinform...>

Independent Board Chair

Gilead Sciences, Inc.

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

Concerns over litigation and stock performance have not abated at Gilead Sciences since this issue was last addressed by shareholders.

In September 2021, CVS and Rite Aid sued the company for deceptive practices that blocked lower costing HIV drugs from entering the market. In September 2021, a federal judge cleared the way for a lawsuit against Gilead to proceed which alleges the drug company engaged in deceptive practices with Truvada, Complera and other HIV drugs which caused users to endure devastating side effects that could have been avoided.

In addition, the 10-Q dated Oct 21, 2021 references a trial set to begin in January 2022 where the company is being sued by ViiV Healthcare Company for billions of dollars of alleged damages over patent infringement.

The risk of lawsuits, sustained public controversy and regulatory intervention, whether ultimately found to be justified or not, are strong arguments for the need for continuous, effective and unconflicted board oversight of corporate management.

The board is responsible for this oversight, but conflicts of interest may arise when one person holds both the Chair and CEO positions. In our view, shareholders are best served by an independent board Chair who can provide a balance of power between the CEO and the board. We believe that Gilead's board should adopt best practice governance policies, including having an independent board chair.

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

Independent Board Chair Southern Copper

RESOLVED: Shareholders of Southern Copper Corporation (the Company) urge the Board of Directors (the Board) to take the steps necessary to adopt a policy to require that the Chair of the Board (the Chair), whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. The policy should also specify the process for selecting a new independent Chair if the current Chair ceases to be independent between annual meetings of shareholders. Compliance with the policy may be excused if no independent director is available and willing to be Chair.

Supporting Statement: In our view, the Chair should be an independent director, who has not previously served as an executive of the Company, in order to provide robust oversight and accountability of management and to facilitate effective deliberation of corporate strategy. The appointment of an independent board chair has become a more common practice in recent years. In 2019, 34 percent of S&P 500 boards were chaired by an independent director, compared to 16 percent in 2009.¹

The Company's Chair German Larrea Mota-Velasco is a non-independent member of the Board. Grupo Mexico S.A.B. de C.V. (Grupo Mexico) beneficially owns more than 50 percent of the Company's voting stock. German Larrea Mota-Velasco serves as President and CEO of Grupo Mexico. German Larrea Mota-Velasco also serves as a non-independent member of the Board's Compensation and Corporate Governance committees. He previously served as the Company's CEO until 2004.

In our opinion, an independent Chair will increase investor confidence in our Company and support enhanced oversight of the Company's executive officers. The Board is responsible for monitoring the executive officers' performance and providing objective guidance to the executives. Having a non-independent Chair has the potential to weaken the Board's independent oversight. We also believe that an independent Chair will enhance the independence and objectivity of the Board in reviewing the Company's various related party transactions with Grupo Mexico.

According to Institutional Shareholder Services, boards with independent leadership (either via an independent Chair or a Lead Director) are more likely to be more diverse, have a more balanced tenure, are more responsive to shareholders, while their CEO pay levels are less likely to be excessive relative to peers.² According to Glass Lewis, shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exists when a CEO or other executive also serves as chairman.³

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

1. 2019 U.S. Spencer Stuart Board Index, Spencer Stuart, 2019, available at https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf

2. Independent Board Leadership Matters: Evidence from Governance Practices, Institutional Shareholder Services, November 9, 2018, available at <https://www.issgovernance.com/library/independent-board-leadership-matters/>

3. In-Depth: Independent Board Chairman, Glass Lewis, March 2016, available at <https://www.glasslewis.com/wp-content/uploads/2016/03/2016-In-Depth-Report-INDEPENDENT-BOARD-CHAIRMAN.pdf>

Annual Board Election

Invitae Corporation

Similar resolutions were submitted to Axon Enterprise, FactSet Research Systems, Marrone Bio Innovations, NanoString Technologies, Syneos Health, Tandem Diabetes Care, Upwork, and Veracyte.

RESOLVED: Invitae Corp (Company) shareholders ask that our Company take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year for a one-year term.

Supporting Statement: Arthur Levitt, former Chairman of the Securities and Exchange Commission said, In my view it's best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them.

Almost 90% of S&P 500 and Fortune 500 companies have adopted this vital reform. Annual elections are widely viewed as a best practice. Most investors believe Annual election of each director makes directors more accountable, thereby improving performance and increasing company value.

Shareholder resolutions on this topic won 16 of 18 votes at companies in 2019, 2020, and 2021, most by a wide margin. My proposals on this topic at our Company won 67% of the vote in 2018 and 85% in 2020. Yet, the Board resists. Proxy advisors ISS, Glass Lewis, and Egan-Jones recommended only received 32% of the vote. The vote for other directors also dropped about 20%. Each can legally remain in office with a single vote under the current standard.

According to BlackRock, Directors should be elected annually to discourage entrenchment and allow shareholders sufficient opportunity to exercise their oversight of the board. Vanguard generally votes for proposals to declassify an existing board and votes against management or shareholder proposals to create a classified board.

According to Equilar, a trusted leader for corporate leadership data: A classified board creates concern among shareholders because poorly performing directors may benefit from an electoral reprieve. Moreover, a fraternal atmosphere may form from a staggered board that favors the interests of management above those of shareholders. Since directors in a declassified board are elected and evaluated each year, declassification promotes responsiveness to shareholder demands and pressures directors to perform to retain their seat. Notably, proxy advisory firms ISS and Glass Lewis both support declassified structures.

Consider our Company's overall corporate governance: We cannot call special meetings or act by written consent and certain amendments require a supermajority.

Our Company's bioscience is second to none. Our corporate governance should meet the same high standards.

Give Each Share an Equal Vote

Meta (Facebook Inc.)

Similar resolutions were submitted to Alphabet, Inc. and Square Inc.

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

SUPPORTING STATEMENT: Facebook continues to be fraught by controversies that could be avoided with proper governance reforms.

Whistleblower Frances Haugen testified before the Senate on October 5, 2021, alleging that Facebook has consistently chosen to maximize its growth rather than implement safeguards on its platforms, just as it hid from the public and government officials internal research that illuminated the harms of Facebook products.¹ Referring to previously unpublished internal Facebook research, Haugen stated that the company addressed only a small fraction of hate speech and violence and incitement content.² She also alleged that Facebook is aware that its own algorithms pushes disinformation.³

Importantly, Haugen also noted that the company's CEO and co-founder, Mark Zuckerberg, controls over 55% of voting shares (while owning only 13% of economic value of the firm) and therefore dictates the course of the company. Haugen noted that there is no one currently holding Zuckerberg accountable but himself⁴ – a role that shareholders cannot exercise through the proxy voting process due to the company's unequal dual-class voting structure that prevents accountability;

This year's scandal is just another in a long line of controversies that have threatened company value and have resulted in the loss of users, decline in user confidence, and included a one-day stock price drop that wiped off more than \$119bn ... [from] Facebook's market value in July 2018. These controversies include election scandals, criticism for its lax position on political lies, its role in Russia's misinformation campaign during the 2016 election, massive data breaches, incitement of violence, and more.

The Proponents believe that management and Board decisions are responsible for the public scandals that have threatened or caused losses in shareholder value and risks to the economy more widely. Without equal voting rights, shareholders cannot hold management accountable.

Governance experts support such recapitalization: the Council for Institutional Investors (CII) recommends a seven-year phase-out of dual class share offerings and the International Corporate Governance Network supports CII's recommendation. Outsider shareholders have repeatedly widely supported this proposal, and the most recent scandal emphasizes the critical need for this governance reform.

We urge shareholders to vote FOR a recapitalization plan for all outstanding stock to have one vote per share.

1. <https://www.npr.org/2021/10/05/1043377310/facebook-whistleblower-france...>

2. <https://www.axios.com/facebook-whistleblower-haugen-profits-over-safety...>

3. <https://www.npr.org/2021/10/05/1043377310/facebook-whistleblower-france...>

4. <https://www.nytimes.com/2021/10/05/technology/facebook-frances-haugen-t...>

Majority Vote

IQVIA Holdings, Inc.

Similar resolutions were submitted to 2U, Inc, nCino Inc., and Snowflake Inc.

RESOLVED: Shareholders of IQVIA Holdings Inc. ('Company') request the Board of Directors amend our Company's policies, articles of incorporation and/or bylaws to provide that director nominees be elected by the affirmative vote of the majority of votes cast, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats. This proposal includes that a director who receives less than a majority vote be removed as soon as a replacement director can be qualified on an expedited basis. If such a removed director has key experience, they can transition to a consultant or director emeritus. With written justification, the board can set an effective date several years into the future for these changes to take effect.

SUPPORTING STATEMENT: To provide shareholders a meaningful role in director elections, our Company's current director election standard should transition from a plurality vote standard to a majority vote standard when only board nominated candidates are on the ballot.

Under our Company's current voting system, a director can be elected if all shareholders oppose the director but one shareholder votes FOR, even by mistake. More than 90% of the companies in the S&P 500 have adopted majority voting for uncontested elections. Director Todd Sisitsky received less than 60% support at our 2021 meeting.

In 2019 and 2020 majority shares voted FOR similar proposals at TG Therapeutics, Lipocine, Abeona Therapeutics, Alico, Guidewire Software, Stemline Therapeutics, Caesars Entertainment, RadNet, Gannett, New Residential Investment, Safety Insurance Group, First Community Bancshares, Greenhill, and Advaxis.

Vanguard, our largest shareholders, includes the following in their proxy voting guidance: If the company has plurality voting, a fund will typically vote for shareholder proposals requiring majority vote for election of directors. BlackRock's proxy voting guidelines include the following: Majority voting standards assist in ensuring that directors who are not broadly supported by shareholders are not elected to serve as their representatives. Many other large shareholders have similar proxy voting policies.

This request should be seen in the context that our Company does not allow shareholders to call special meeting or act by written consent, and does not provide shareholders with the right to proxy access. Our board is locked into an outdated governance structure that reduces accountability to shareholders, increasing the likelihood of stagnation. We should not risk Zombies on Board: Investors Face the Walking Dead (<https://www.msci.com/www/blog-posts/zombies-on-board-investors-face/02161045315>).

Majority Vote

Warrior Met Coal Inc

RESOLVED: That the shareholders of Warrior Met Coal, Inc. (the Company) hereby request that the Board of Directors initiate the appropriate process to amend the Company's articles of incorporation and/or bylaws to provide that directors shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareowners in uncontested elections. A plurality vote standard, however, will apply to contested director elections; that is, when the number of director nominees exceeds the number of board seats.

SUPPORTING STATEMENT: This proposal would remove a plurality vote standard for uncontested elections that effectively disenfranchises shareowners and eliminates a meaningful shareowner role in uncontested director elections. For example, director nominee Alan Schumacher was reelected to the Board of Directors at the Company's 2021 annual meeting of stockholders even though a majority of shares cast at the meeting withheld support from his reelection to the Board.

Under the Company's current voting system, a director may be elected with as little as one affirmative vote because withheld votes have no legal effect. This scheme deprives shareowners of a powerful tool to hold directors accountable because it makes it impossible to defeat directors who run unopposed. Conversely, a majority voting standard allows shareowners to actually vote against candidates and to defeat reelection of a management nominee who is unsatisfactory to the majority of shareowners who cast votes.

A substantial number of companies have already adopted this form of majority voting. More than 90% of the companies in the S&P 500 have adopted a form of majority voting for uncontested director elections. We believe the Company should join the growing number of companies that have adopted a majority voting standard requiring incumbent directors who do not receive a favorable majority vote to submit a letter of resignation, and not continue to serve, unless the Board declines the resignation and publicly discloses its reasons for doing so.

Majority voting in director elections empowers shareowners to clearly say no to unopposed directors who are viewed as unsatisfactory by a majority of shareowners casting a vote. Incumbent board members serving in a majority vote system are aware that shareowners have the ability to determine whether the director remains in office. The power of majority voting, therefore, is not just the power to effectively remove poor directors, but also the power to heighten director accountability through the threat of a loss of majority support. That is what accountability is all about.

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

Shareholder Ratification of Termination Pay

Boeing Company

Similar resolutions were submitted to Electronic Arts Inc. and NCR Corporation.

RESOLVED: Shareholders request that the Board seek shareholder approval of any senior manager's new or renewed pay package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus.

Severance or termination payments include cash, equity or other compensation that is paid out or vests due to a senior executive's termination for any reason. Payments include those provided under employment agreements, severance plans, and change-in-control clauses in long-term equity plans, but not life insurance, pension benefits, or deferred compensation earned and vested prior to termination.

Estimated total value includes: lump-sum payments; payments offsetting tax liabilities; perquisites or benefits not vested under a plan generally available to management employees; post-employment consulting fees or office expense; and equity awards if vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

Generous performance-based pay can be good but shareholder ratification of golden parachute severance packages with a total cost exceeding 2.99 times base salary plus target bonus better aligns management pay with shareholder interests.

For instance at another company, if the CEO is terminated without cause, whether or not his termination follows a change in control, he will receive an estimated \$39 million in termination payments, nearly 7- times his 2019 base salary plus short-term bonus.

A similar shareholder proposal at FedEx Corporation received almost 60% of the vote in September 2021.

Boeing's previous chief executive, Dennis Muilenburg, was fired in December 2019. According to the Washington Post, he was given \$62 million in severance benefits. It is in the best interest of Boeing shareholders to be protected from such lavish management termination.

Executive Incentive Pay Clawback

Marathon Petroleum

RESOLVED, shareholders of Marathon Petroleum Corporation (the Company) urge the Board of Directors' Compensation and Organization Development Committee to amend the company's recoupment/clawback policy to add that the Committee will review and determine whether to seek recoupment of long-term incentive and short-term incentive compensation paid, granted or awarded to an executive officer if, in the Committee's judgment, (a) an executive officer engaged in conduct that resulted in a violation of law or MPC policy, and that caused financial or reputational harm to the Company, or (b) an executive officer failed in their responsibility to manage conduct or risks, and such failure contributed to financial or reputational harm to the Company, with MPC to disclose to shareholders the circumstances of any recoupment or decision not to pursue recoupment in those situations.

Recoupment includes: recovery of compensation already paid and forfeiture, recapture, reduction or cancellation of future amounts awarded or granted over which MPC retains control. This policy should operate prospectively and be implemented so as not to violate any contract, compensation plan, law or regulation

Supporting Statement: We believe that compensation policies should promote sustainable value creation.

We understand that the Company currently has in place a mechanism that imposes clawback provisions on both long-term incentive and short-term incentive awards. MPC's existing policy allows clawback from an executive officer if, in the event of a material accounting restatement, the executive officer is determined to knowingly engage in misconduct, be grossly negligent with respect to misconduct, knowingly failed or was grossly negligent in failing to prevent misconduct, or engage in misconduct materially harmful to the company.

Our view is that the existing clawback triggers are too limited in its assessment of executive conduct and the implications for long-term shareholder value. Recoupment can be an important remedy for conduct that may affect financial results or harm MPC's reputation and prospects, but does not involve a financial restatement.

The rationale for an expanded policy is illustrated by the reputational and financial risks associated with its \$86 million settlement regarding the 2016 fire at the Galveston Bay refinery.¹ Adopting this policy would help establish a culture of not only compliance but also sustainable value creation while demonstrating the Company's commitment to accountability to shareholders. We urge you to vote FOR this proposal.

1. <https://www.reuters.com/article/us-marathon-pete-settlement-fire/marathon-petroleum-to-pay-86-million-to-settle-texas-fire-lawsuits-idUSKBN1AJ1N1>

Executive Incentive Compensation - Compliance Costs

Amerisource Bergen

RESOLVED, that shareholders of AmerisourceBergen, Corp. (AmerisourceBergen), urge the Board of Directors to adopt a policy that no financial performance metric shall be adjusted to exclude legal or compliance costs when evaluating performance for purposes of determining the amount or vesting of any senior executive compensation award. Legal or compliance costs are expenses or charges associated with any investigation, litigation or enforcement action related to drug distribution, including legal fees; amounts paid in fines; penalties or damages; and amounts paid in connection with monitoring required by any settlement or judgment of claims of the kind described above. Incentive Compensation is compensation paid pursuant to short-term and long-term incentive compensation plans and programs. The policy should be implemented in a way that does not violate any existing contractual obligation of the Company or the terms of any compensation or benefit plan. The Board shall have discretion to modify the application of this policy in individual cases and shall provide a statement of reasons to shareholders for any such individual modification.

SUPPORTING STATEMENT: As an AmerisourceBergen shareholder, we support compensation arrangements that incentivize senior executives to drive growth while safeguarding company operations and reputation over the long-term. We believe this requires that the company adopt a policy that financial performance metrics should not be adjusted to exclude legal or compliance costs in evaluating performance for incentive payouts to senior executives. The policy is to provide the Compensation Committee with the discretion to exclude charges where it deems it in the interests of shareholders, although such situations should be accompanied by robust disclosure and justification.

The need for this reform is amply demonstrated by the costly litigation AmerisourceBergen faces over the opioid crisis and last year's Say-on-Pay vote.

According to the 2021 proxy statement, AmerisourceBergen uses adjusted non-GAAP EPS and adjusted non-GAAP operating income in its short-term incentive program, and compound annual adjusted non-GAAP EPS in its performance share awards. In all three cases, the metrics are calculated to exclude litigation charges. In fiscal 2020, therefore, they excluded the impact of the company's \$6.6 billion opioid-related expense accrual – a charge that drove the company to its largest ever loss and exceeded cumulative earnings over the prior nine fiscal years.

In the event, with the opioid charges excluded, the company's short-term incentive program and fiscal 2018-2020 performance share awards paid out above target for the named executives. This led to a contentious Say-on-Pay vote at the 2021 shareholder meeting, where 48% of shares cast opposed the proposal.

We believe that insulating senior executives from legal risks by removing associated costs from the metrics that determine their incentive compensation distorts incentives around compliance and undermines the alignment with shareholders. A superior approach to aligning executive pay with the company's performance would be to include legal and compliance costs.

We urge shareholders to vote for this proposal.

Executive Compensation Tied to Social Factors

Kroger Co.

RESOLVED: Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating environmental, social, and governance (ESG) metrics into performance measures or vesting conditions that may apply to senior executives under the Company's compensation plans or arrangements.

SUPPORTING STATEMENT: Effectively managing for ESG-related goals offers positive opportunities for companies and is increasingly a key metric by which senior executives are judged. Linking ESG metrics to executive compensation could reduce risks related to ESG-related underperformance, incentivize employees to meet sustainability goals and increase accountability and the quality of outcomes. Metrics relevant to Kroger could include indicators related to its stated goals such as: environmental impacts and food waste, responsible sourcing, wages and benefits, and commitments to diversity, equity, and inclusion (DEI).

WHEREAS: Numerous studies suggest companies that integrate environmental, social, and governance (ESG) factors into their business strategy reduce reputational, legal, and regulatory risks and improve long-term performance.

Kroger has adopted more robust governance of ESG issues including board oversight and the adoption of ESG goals. Kroger states in its 2021 ESG Report under Business Integration that Leaders are increasingly engaged in our new ESG strategy and targets and accountable for results.¹ However, it appears Kroger has not explicitly linked sustainability goals with senior executive incentives, which we believe would enhance Kroger's approach. Investors seek clarity on how Kroger drives improvements on ESG issues and how that strategy is supported by executive accountability. BlackRock, the largest asset manager in the world, and major Kroger shareholder, states in its Investment Stewardship Commentary that companies should explicitly disclose how incentive plans reflect strategy and incorporate performance metrics, including sustainability-related goals, aligned with long-term shareholder value drivers.²

A 2021 PwC survey cites that 52 percent of surveyed directors support tying executive compensation to DEI goals and to employee engagement and attrition rate.³ A 2016 Glass Lewis report In-Depth: Linking Compensation to Sustainability found a mounting body of research showing that firms that operate in a more responsible manner may perform better financially.... Moreover, these companies were also more likely to tie top executive incentives to sustainability metrics.

Many companies, including Intel, Chipotle, McDonald's, PepsiCo, CVS, and Starbucks, have integrated sustainability metrics into their executive pay incentive plans, including diversity metrics in many cases.⁴ Another prominent example is Royal Dutch Shell, which announced in December 2018 its plans to tie a portion of executive pay to concrete targets linked to the company's net carbon footprint.

The increasing incorporation of ESG metrics into executive pay evaluative criteria stems from the growing recognition that ESG business strategies can drive growth, as well as enhance profitability and shareholder value. Neglecting to do so could send a signal that ESG is not a priority for the company.

1. <https://www.thekrogerco.com/wp-content/uploads/2021/07/Kroger-2021-ESG-Report.pdf>

2. <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-incentives-aligned-with-value-creation.pdf>

3. <https://www.pwc.com/us/en/services/governance-insights-center/assets/pwc-2021-annual-corporate-directors-survey.pdf>

4. <https://www.reuters.com/business/sustainable-business/more-us-companies-tie-ceo-pay-diversity-metrics-study-2021-07-27/>

Asset Management Policies and Diversified Investors

State Street Corporation

RESOLVED, shareholders ask that the board report on (1) how the majority of its clients and shareholders—for whom overall stock-market performance is the primary determinant of financial returns—are affected by Company policies that account for the effect of social and environmental issues on portfolio companies' financial performance, but not for the effect that portfolio company activities have on overall stock-market performance through their impacts on social and environmental systems and (2) whether its clients and shareholders would be better served by the adoption of asset management policies that directly accounted for the impact that portfolio companies have on the global economy.

SUPPORTING STATEMENT:

Our Company provides investment management services and has more than \$3.4 trillion in assets under management, primarily weighted toward indexed strategies. In line with Modern Portfolio Theory, most of its clients and shareholders are likely to be broadly diversified.

Such diversified investors rely on healthy social, economic, and environmental systems to support all their investments. Corporate practices that reduce GDP also decrease diversified portfolio returns.¹ As manager for more than \$3 trillion in assets, the Company's stewardship activities—engaging with portfolio companies and voting their shares—could significantly improve overall market performance by stewarding companies away from practices that degrade the global commons, even when those practices are profitable to the company in question.

However, the Company will currently steward a portfolio company to improve its social and environmental practices only when doing so improves such company's own internal financial performance.² In contrast, the Company's stewardship policy does not address social and environmental practices of a portfolio company that harm the global economy if the practices can improve that company's financial performance. This position encourages companies to externalize environmental and social costs, and is thus counter to the interests of both its clients and its shareholders.

The Proposal would encourage the Company to study whether it should explicitly account for any improved performance in the diversified portfolios of its clients that would result from individual portfolio companies ending practices that improve their internal performance but harm the systems that support a healthy global economy and overall financial market performance. Such a report would help diversified shareholders determine whether to seek a change in corporate direction so that the Company can better serve the interests of clients and shareholders.

1. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; https://archive.fortune.com/magazines/fortune/fortune_archive/2001/12/10/314691/index.htm (total market capitalization to GDP is probably the best single measure of where valuations stand at any given moment) (quoting Warren Buffet).

2. <https://www.ssga.com/library-content/pdfs/ic/global-Proxy-Voting-and-engagement-guidelines-es-issues.pdf>

Curtail Activities that Externalize Social and Environmental Costs

BlackRock, Inc.

RESOLVED, shareholders ask that, to the extent practicable, consistent with fiduciary duties, and otherwise legally and contractually permissible, the Company adopt stewardship practices designed to curtail corporate activities that externalize social and environmental costs that are likely to decrease the returns of portfolios that are diversified in accordance with portfolio theory, even if such curtailment could decrease returns at the externalizing company.

SUPPORTING STATEMENT:

Our Company is the world's largest asset manager, with close to \$10 trillion in assets under management, primarily weighted toward indexed strategies. In line with portfolio theory, most of its clients are likely to be broadly diversified.¹

Overall return of the financial markets (beta) is the primary determinant of diversified investors' return. Beta itself relies on a healthy economy, which in turn relies on healthy social and environmental systems. But those systems are at risk from corporate practices that reduce the value of the economy by externalizing social and environmental costs. In short, a company's externalities harm its diversified shareholders, even if they do not harm the company itself.²

Given its market position, BlackRock's stewardship activities—engaging with portfolio companies and voting their shares—could significantly improve beta by discouraging corporate practices that externalize costs. This would increase the portfolio value of BlackRock's clients, and also increase the value of the assets it manages, thereby improving the returns of both its clients and shareholders.

However, BlackRock's social and environmental stewardship only focuses on improving individual company performance. BlackRock commits to engagement that supports companies[']... efforts to deliver... value to shareholders.³ In contrast, the Company's stewardship policy does not address practices of a company that harm the global economy unless those practices also harm that company's financial performance.

Indeed, BlackRock says expressly that it does not tell management what to do.⁴ This appears to be the case even if doing so were necessary to protect commonly shared social and environmental resources from exploitation. Similarly, BlackRock asks companies to have business plans aligned with a net-zero economy and to be resilient in a scenario where warming is limited to 1.5 degrees Celsius,⁵ but such standards focus on the ability of the company to operate successfully in a world that is addressing climate change. In contrast, there is no BlackRock policy requiring companies do their part to ensure those goals are met: that would be telling management what to do.

Stewardship policies designed to directly support the health of social and environmental systems would promote the interests of the BlackRock's clients and shareholders.

1. See, e.g., Uniform Prudent Investor Act, § 3 (trustee shall diversify the investments of the trust absent special circumstances.)

2. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; https://archive.fortune.com/magazines/fortune/fortune_archive/2001/12/10/314691/index.htm (total market capitalization to GDP is probably the best single measure of where valuations stand at any given moment) (quoting Warren Buffet).

3. <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global-summary.pdf>.

4. <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-natural-capital.pdf>.

5. Supra, n.2

Strategies to Address Governance Costs

J.P. Morgan Chase & Co.

RESOLVED, shareholders ask that the board commission and disclose a study on how the Company can consider the financial position of the Company's diversified owners in establishing its underwriting practices in order to address the share price concerns that lead the Company to underwrite economically detrimental multiclass share offerings.

Supporting Statement:

To optimize its own financial returns, our Company underwrites initial public offerings providing perpetual control to insiders with high-vote stock,¹ contributing to poor governance that harms investors as a class.²

These structures give unchecked power to insiders, whose concentrated interests are not aligned with diversified shareholder interests. As one Nobel laureate notes, initial entrepreneurs are not well-diversified and so they want to maximize the value of their own company, not the joint value of all companies.³ The SEC's Investor Advocate underscored the economic risk of multiclass structures recently:

[W]hat we now have in our public markets is a festering wound that, if left untreated, could metastasize unchecked and affect the entire system of our public markets. The question, then, is what can be done to avoid the inevitable reckoning.⁴

Similarly, an SEC Commissioner said:

Structures where a minority of insiders lock out the interests and rights of the majority may... be harmful for the economy as a whole.⁵

By lending its reputation and expertise to these structures, the Company jeopardizes the viability of the governance model that created significant economic wealth. By continuing to underwrite such offerings, the Company prioritizes its own financial returns over the health of the global economy, in keeping with the Chairman's description of the Company's stock price [as] a measure of the progress we have made over the years.⁶

But improving Company share price by practices that threaten the economy as a whole is a bad trade for most of the Company's shareholders, who are diversified, relying on broad economic growth to achieve their financial objectives. A Company strategy that increases its own share price but threatens global GDP is a threat to these owners: a drag on GDP created by facilitating poor governance will directly reduce their long-term returns.⁷

To address the reduced returns that would come from foregoing multiclass underwriting revenues, the Proposal would encourage the Company to study how it could (1) participate in public and private collaborations to end poor governance and (2) explicitly account for performance improvements in its shareholders' diversified portfolios. Such a report would help diversified shareholders determine whether to seek a change in corporate direction so that the Company can better serve their interests.

1. See, e.g., <https://www.sec.gov/Archives/edgar/data/0001650164/000119312521279379/d166297d424b4.htm> (Toast, Inc.); <https://www.sec.gov/Archives/edgar/data/0001822250/000119312520319302/d82777d424b4.htm> (Wish).

2. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=987488; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2954630

3. <https://ssrn.com/abstract=3680815> or <http://dx.doi.org/10.2139/ssrn.3680815>

4. Rick Fleming, Dual-Class Shares: A Recipe for Disaster (October 15, 2019) (emphasis added).

5. Available at https://www.sec.gov/news/speech/speech-stein-021318#_ednref45.

6. <https://reports.jpmorganchase.com/investor-relations/2020/ar-ceo-letters.htm>

7. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Right of Shareholders to Call Special Meetings

Agilent Technologies

RESOLVED: The shareholders of Agilent Technologies Inc. (Company) hereby request the Board of Directors take the steps necessary to amend our bylaws and each appropriate governing document to give holders with an aggregate of 10% net long of our outstanding common stock the power to call a special shareholder meeting. This proposal does not impact our Board's current power to call a special meeting.

SUPPORTING STATEMENT: A meaningful shareholder right to call a special meeting is a way to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. This is important because there could be 15-months between annual meetings.

Currently, 68% of S&P 500 companies allow shareholders to call a special meeting. Well over half of S&P 1500 companies also allow shareholders this right.

According to Proxy Insight's Resolution Tracker, a majority of shareholders at Dollar General, Thermo Fisher Scientific, Kellogg, FleetCor Technologies, SPAR Group, Verizon, Sonoco Products and Electronic Arts recently voted to for their right to call special meetings.

Large funds such as Vanguard, TIAA-CREF, BlackRock and SSgA Funds Management, Inc. (State Street) support the right of shareholders to call special meetings. For example, BlackRock includes the following in its proxy voting guidelines: [S]hareholders should have the right to call a special meeting...

We urge the Board to join the mainstream of major U.S. companies and establish a right for shareholders owning 10% of our outstanding common stock to call a special meeting.

Right of Shareholders to Call Special Meetings

Illumina

A similar resolution was submitted to Teledoc Health Inc.

RESOLVED: Shareholders of Illumina Inc. (Company) hereby request the Board of Directors take the steps necessary to amend our bylaws and each appropriate governing document to give holders with an aggregate of 15% net long of our outstanding common stock the power to call a special shareholder meeting. This proposal does not impact our Board's current power to call a special meeting.

SUPPORTING STATEMENT: Our Company allows a majority of the Board to call a special meeting, whereas Delaware law provisions also permit companies to allow shareholders holding 10% of outstanding shareholder to call such meetings. A meaningful shareholder right to call a special meeting is a way to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. This is important because there could be 15-months between annual meetings.

Currently, over 70% of S&P 500 companies allow shareholders to call a special meeting. Over half of Russell 3000 companies also allow shareholders this right.

According to Proxy Insight's Resolution Tracker, between August 2019 and May 2021 the topic of providing shareholders a right to call a special meeting won 57.5% at Electronic Arts, 70.2% at Sonoco Products, 52.3% at Verizon Communications, 97.3% at SPAR Group, 78.9% at FleetCor Technologies, 63.2% at Kellogg Company, 56.1% at Thermo Fisher Scientific, and 53.2% at Dollar General.

Large funds such as Vanguard, TIAA-CREF, BlackRock and SSgA Funds Management, Inc. (State Street) support the right of shareholders to call special meetings. For example, BlackRock includes the following in its proxy voting guidelines: [S]hareholders should have the right to call a special meeting...

This proposal should be seen in the context that shareholders at our Company also have no right to act by written consent.

We urge the Board to join the mainstream of major U.S. companies and establish a right for shareholders owning 15% of our outstanding common stock to call a special meeting.

Right to Repair

Apple Computer, Inc.

WHEREAS: By 2040, 14% of greenhouse gas emissions will result from internet-connected technologies. Electronic waste is the fastest growing waste stream globally, and a recent World Economic Forum report found that product longevity and repair are critical to stemming this growth.

Apple Inc. has committed to carbon neutrality by 2030, including across its product life cycle, yet the carbon footprint associated with an Apple smartphone has increased 14-54% from the iPhone 7 to the iPhone 12 series. More than 80% of the greenhouse gas emissions from an iPhone occurs before the consumer even receives the product. By expanding access to repair that extends the life cycle of existing products, the Company could mitigate climate and other material financial risks.

Although the Company has grown its network of repair providers, Apple has come under scrutiny for:

- Denying access to repair materials such as repair manuals, spare parts, and repair software;
- Designing products in such a way that hinders third party repair; and
- Vigorously lobbying against Right to Repair reforms.

Due to its practices, Apple may be exposed to increased regulatory risks from growing support of Right to Repair legislation, which would require electronics manufacturers to provide access to parts and service information in order to extend product lifespans and improve access to repair. In June 2021, Right to Repair legislation was introduced in 27 states and in the U.S. Congress. In July, President Biden signed an executive order calling for the Federal Trade Commission to develop rules on unfair anticompetitive restrictions on third-party repair. This may increase pressure on Apple, which has already been the subject of a Federal Trade Commission investigation.

As serviceability becomes a more important factor for consumers and regulatory risk continues to increase, competitors in the laptop markets such as Hewlett-Packard and Dell Technologies have long made service manuals available online while making spare parts available to consumers. Neither company is known to be lobbying against Right to Repair.

Apple's anti-repair practices have been covered by major media outlets, including The New York Times, Wall Street Journal, and Bloomberg, exposing the Company to reputational risk. Even one of Apple's founders, Steve Wozniak, has publicly called for Apple to recognize Right to Repair, noting that repairable products helped build the Company's success.

Investors are concerned that Apple's continued opposition to repair access could undermine its ambitious climate commitments and pose regulatory, competitive, and reputational risk to the Company.

RESOLVED: Shareholders request that the Board prepare a report, at reasonable cost and omitting proprietary information, on the environmental and social benefits of making Company devices more easily repairable by consumers and independent repair shops.

SUPPORTING STATEMENT: The report should, at Board discretion, assess, among other issues:

- The benefits or harms of making instructions, parts, and/or tools for products more readily available; and
- The cost, risks, and benefits of the Company's lobbying activities against repair legislation.

Right to Repair

Alphabet, Inc.

Environmental Impact of Product Repair Policies

WHEREAS: By 2040, 14% of greenhouse gas emissions will result from internet-connected technologies like phones and tablets. Electronic waste is the fastest growing waste stream globally, and a recent World Economic Forum report found that product longevity and repair are critical to stemming this growth.

Alphabet Inc.'s Google has committed to carbon neutrality and to creating a circular economy for its products, which is aimed at reducing waste and conserving natural resources. Between 71% and 85% of the greenhouse gas emissions from a Pixel phone occur before the consumer even receives the product. By expanding access to repair that extends the life cycle of existing products, Google could mitigate climate and other material risks.

Google has come under scrutiny for:

- Denying access to repair materials such as repair manuals, spare parts, and repair software;
- Designing products in such a way that hinders third-party repair; and
- Vigorously lobbying against Right to Repair reforms.

Due to its practices, Google may be exposed to increased regulatory risks from proposed Right to Repair legislation, which would require electronics manufacturers to provide access to parts and service information in order to extend product lifespans. In the last year, Right to Repair legislation was introduced in 27 states and in the U.S. Congress. In July, President Biden signed an executive order calling for the Federal Trade Commission to develop rules on unfair anticompetitive restrictions on third-party repair.

Hewlett-Packard and Dell Technologies have long made service manuals available online while making spare parts available to consumers, and neither is known to lobby against Right to Repair. Apple and Microsoft, who have long opposed repair access, have recently changed course on the issue. Apple announced a new DIY repair program and Microsoft pledged to assess the impact of making its devices easier to repair and to act on those findings.

Major media outlets including The New York Times and Bloomberg have covered Google's anti-repair practices, exposing the Company to reputational risk. Google's authorized repair services have also generated negative media attention for privacy violations, highlighting the need for third-party repair options.

Google makes no mention of repair in its most recent Environmental Report or any of its Product Environmental Reports. Investors are concerned that Google's opposition to repair access could undermine its ambitious climate commitments and expose it to regulatory, competitive, and reputational risk.

RESOLVED: Shareholders request that the Board prepare a report, at reasonable cost and omitting proprietary information, on the environmental and social benefits of making Company devices more easily repairable by consumers and independent repair shops.

SUPPORTING STATEMENT: The report should, at Board discretion, assess, among other issues, the benefits or harms of:

- Making instructions, parts, and/or tools for products more readily available;
- Adding more features to Android operating systems that support or facilitate diagnosis and repair, including for non-Company devices; and
- Lobbying against repair legislation.

Right to Repair

Deere & Company

WHEREAS: Deere & Company (Deere) customers rely heavily on timely equipment repair to be successful agricultural producers. Yet according to a wide range of media reports, farmer testimony, and research and analysis, Deere restricts access to certain repair materials, which can result in costly downtime for customers and lead to material risks for the Company.

These restrictions to independent repair may cause Deere to be exposed to increased regulatory risks from growing support for Right to Repair “ legislation, which requires agricultural equipment manufacturers to provide access to diagnostic software, parts, instructions, and additional repair materials in order to ensure competition and choice in repair markets. In 2021, a total of 24 states debated Right to Repair legislation, and similar legislation, called the Fair Repair Act, was introduced in Congress.

Additionally, new rulemaking by the Federal Trade Commission (FTC) on anti-competitive repair practices may expose Deere to serious legal risks. In July 2021, President Biden signed an executive order calling for the FTC to develop rules on unfair anticompetitive restrictions on third-party repair... imposed by powerful manufacturers that prevent farmers from repairing their own equipment. Should the FTC determine that Deere’s repair policies are anticompetitive, it could choose to bring a lawsuit. Because of the size of Deere’s market share, the Company could also be subject to lawsuits on tying arrangements.

Withholding certain repair materials from farmers and independent repair businesses has generated negative media coverage in a wide range of high-profile outlets. Stories in the Wall Street Journal, National Public Radio, CBS Sunday Morning and many other leading outlets have critiqued Deere’s stance, and given voice to customers who feel mistreated by the Company.

Company representatives argue that Deere provides materials to support almost all equipment repairs, yet the regulatory, legal, and reputational risks posed to the Company continue to escalate. Investors seek insight into the value of limiting access to the remaining repair materials versus the risks that the Company is incurring by withholding them.

RESOLVED: Shareholders request that the Board issue a report, at reasonable cost and omitting proprietary information, on the emerging state and federal Right to Repair legislation and the Company’s explanation of underlying issues giving rise to those policy proposals.

SUPPORTING STATEMENT: The report should, at Board discretion, assess, among other issues:

- The benefits or harms of making all dealership repair materials available to customers and independent mechanics;
- Implications of state and federal Right to Repair laws for the company’s finances and operations;
- Reputational risks associated with customer dissatisfaction giving rise to the legislation.

Tax Transparency

Amazon.com, Inc

RESOLVED: Shareholders request that the Board of Directors issue a tax transparency report to shareholders, at reasonable expense and excluding confidential information, prepared in consideration of the indicators and guidelines set forth in the Global Reporting Initiative's (GRI) Tax Standard.

Supporting Statement Profit shifting by corporations is estimated to cost the US government \$70 - 100 billion annually.¹ Globally, the OECD estimates it costs of \$100 – 240 billion.² The PRI, representing investors with \$89 trillion AUM, argues that tax avoidance is key driver of global inequality.³

With the COVID-19 pandemic resulting in large deficits for many governments, there has been increased government and community focus on whether corporations are paying a fair share of tax and contributing to societies where profits are earned. 90% of companies believe that the financial impacts of the pandemic may lead to more tax disputes, while 38% expect authorities to become more rigorous in tax examinations.⁴

In October 2021, 136 countries agreed to a framework for global tax reform.⁵ In the US, increases in infrastructure and social spending are linked to tax reforms.⁶ The proposed Disclosure of Tax Havens and Offshoring Act will require public country-by-country reporting (CbCR) of financial (including tax) data by SEC-registered companies. In November 2021, the European Union approved a directive to implement a form of public CbCR for multinationals operating in the European Union with group revenue of over \$860 million.⁷

Currently, Amazon does not disclose revenues, profits or tax payments in non-US markets, challenging investors' ability to evaluate the risks to our company of taxation reforms, or whether Amazon is engaged in responsible tax practices that ensure long term value creation for the company and the communities in which it operates. Amazon's approach to taxation has been repeatedly challenged by tax authorities globally.⁸ In 2020, Amazon was singled out by President Biden as having paid no federal corporate income tax in the US.⁹ The GRI Standards are the world's most utilized reporting standard.¹⁰

The GRI Tax Standard was developed in response to investor concerns regarding the lack of corporate tax transparency and the impact of tax avoidance on governments' ability to fund services and support sustainable development.¹¹ It is the first comprehensive, global standard for public tax disclosure and requires public reporting of a company's business activities, including revenues, profits and losses, and tax payments within each jurisdiction.¹²

This proposal would bring our company's disclosures in line with leading companies who already report using the Tax Standard.¹³ Our company already reports CbCR information to OECD tax authorities privately, so any increased reporting burden is negligible.

1. <https://thefactcoalition.org/trillions-at-stake-behind-the-numbers-at-play-in-u-s-international-corporate-tax-reform/>.

2. <https://www.washingtonpost.com/us-policy/2020/11/19/global-tax-evasion-data/>

3. <https://www.globalreporting.org/about-gri/news-center/backing-for-gri-s-tax-standard/>

4. <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/dttl-tax-beps-survey-2021-report.pdf>

5. <https://www.oecd.org/tax/international-community-strikes-a-ground-breaking-tax-deal-for-the-digital-age.htm>.

6. <https://thefactcoalition.org/international-tax-reform-in-build-back-better-act-a-promising-start/>

7. <https://www.internationaltaxreview.com/article/b1vf7yc65qpzcd/this-week-in-tax-eu-on-track-for-public-cbcr-by-2023>

8. <https://www.reuters.com/article/us-france-amazon-tax-idUSKBN1FP1FU;>
<https://www.theguardian.com/technology/2017/oct/04/amazon-eu-tax-irish-government-apple>

9. <https://www.reuters.com/article/us-usa-biden-amazon-taxes-idUSKBN2BN3LL>

10. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/11/the-time-has-come.pdf>

11. <https://www.globalreporting.org/about-gri/news-center/backing-for-gri-s-tax-standard/>

12. <https://www.globalreporting.org/standards/media/2482/gri-207-tax-2019.pdf>

13. <https://www.globalreporting.org/about-gri/news-center/momentum-gathering-behind-public-country-by-country-taxreporting/>

Diversity and Racial Justice

Member filings frequently call for diversity in the board of directors, pay equity, respect for the rights of Indigenous peoples, and reports on workplace sexual harassment and the negative impacts of policies and practices on communities of color.

ICCR-member DEI and racial justice filings rose 60 percent versus last season, continuing a two-year trend. At 100 they are the second-most frequently filed category of resolutions for 2022 just behind climate change.

This growth is largely due to a group of 32 resolutions asking for racial equity (REAs) and civil rights audits (CRAs).

There are also several new themes this proxy season including the **risks associated with the use of concealment clauses, underwriting police insurance, and negative impacts of facilities adjacent to communities of color**, which are discussed below.

Note: There are several resolutions this year addressing the negative racial justice impacts of employment practices, including resolutions on the costs of low wages and inequality and on starting pay and racial equity. These are discussed in the Human Rights and Worker Rights section of the Guide, which begins on page 191.

Diversity and Racial Justice 100

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

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





**Edgar Hernández, Assistant Director,
Strategic Initiatives Department
— Service Employees
International Union**

In the aftermath of the murder of George Floyd, many companies issued statements in support of the movement for Black lives. As investors we were intrigued by some of the actions taken by some corporations. We felt there was a need to hold these companies accountable for the statements they made to ensure they were living up to their commitments.

In 2021, the SEIU Pension Plans Master Trust filed **racial equity audit** proposals at five companies — Blackrock, CoreCivic, Goldman Sachs, State Street Corporation and Wells Fargo. It was the first time this type of proposal was on the proxy statement and knew we had an uphill fight. Nevertheless, we successfully negotiated withdrawals at Blackrock and CoreCivic because the companies agreed to conduct the racial equity audits; our proposal also received shareholder support in the double digits at State Street, Goldman Sachs and Wells Fargo.

This year we have filed numerous racial equity audit proposals at other companies, while re-filing at the companies we focused on last year. As a result, we were successful in reaching an agreement at State Street Corp which agreed to conduct the requested racial equity audit. We are proud of the work to date, and as investors, will continue to push this issue at companies that we feel may be in need of such efforts.

Racial Equity and Civil Rights Audits

Last year SOC Investment Group and SEIU filed an initial set of proposals calling for companies to conduct racial equity and civil rights audits assessing the impacts of their products, services, and overall corporate practices on non-white stakeholders and communities of color. Momentum for using REAs to combat systemic racism is building; House lawmakers are currently considering legislation that would require banks to carry out racial equity audits every two years. In 2022, there were 32 resolutions requesting racial equity and civil rights audits.

This year, the number of proposals calling for REAs and CRAs more than tripled. ICCR members asked companies including **Alphabet, Amazon, Apple, Mondelez, Tyson and Wells Fargo** to oversee third-party audits analyzing the adverse impact of company policies and practices on the civil rights of their stakeholders, and to provide recommendations for improving their civil rights impacts, incorporating input from racial justice and civil rights groups and employees.





Meredith Benton, Principal/Founder
— *Whistle Stop Capital*

Concealment clauses decrease corporate transparency and accountability. These clauses — employee arbitration, non-disclosure and non-disparagement agreements — consequently raise many concerns for external stakeholders. A company's use of these clauses may undermine its workplace equity programs, increase its risk of litigation and legal missteps, and harm its brand and its relationship with its employees.

Intrinsic to investments in public companies is the risk that the company's managers' goals do not align with those of its investors. It is a core responsibility of a Board to identify and remediate situations where the preferences of the C-Suite and those of investors are in conflict. Management's use of concealment clauses is a textbook example of this type of situation.

Managers at companies with concealment clauses may be operating with a sense of impunity, and rather than implementing best practices in human capital management, may be relying on the ability of arbitration, non-disclosure and non-disparagement agreements to mask any failures in their internal systems. They are likely to be biased in their defense of the use of these policies, reporting on only their benefits and advantages to the company, as Amazon recently did. Investors, however, have limited incentives to enable poor workplace practices to continue, hidden from view. They are benefitted by an honest accounting of workplace practices and strong incentives for employers to prevent misdeeds.

Board members may be unaware of how extensively concealment clauses are used within their own organizations, yet Board oversight of human capital management programs is essential in protecting and stewarding a company's long-term interests. The resolutions filed this season ask Boards to actively review the risks associated with the use of concealment clauses. Boards may also decide to make such a review unnecessary by explicitly prohibiting the use of these clauses whenever concerns exist around harassment, discrimination or other unlawful acts.

Specific company concerns varied: the Goldman Sachs resolution highlighted the bank's underwriting of bonds whose proceeds are used to pay police brutality settlements; the Pfizer resolution cited the company's donations to members of Congress who objected to the certification of the 2020 presidential election; the Wells Fargo resolution emphasized the bank's support of police foundations that purchase surveillance technology used to monitor communities of color and nonviolent protestors; and the Valero proposal cited pollution in communities of color.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Women and non-white employees continue to face significant long-term obstacles as they seek to advance in their careers. White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more than Latino applicants. Moreover, for every 100 men who are promoted, only 86 women are.

Investors need quantitative diversity, equity, and inclusion (DEI) data to assess, understand, and compare the effectiveness of a company's DEI programs. Eighteen companies this year were asked to publish quantitative data on their workforce composition, recruitment, retention, and promotion rates by gender, race, and ethnicity. Companies receiving this resolution include **American Express, Hasbro, Lululemon, Netflix, Paypal** and **Salesforce**.

Gender and Racial Pay Gap

Black workers' hourly median earnings are just 64 percent of that of their white peers. Meanwhile, the median income for women working full time is 83 percent that of men. Women of color face even greater pay discrimination: Black women earn 63 cents to a white male worker's dollar while Indigenous and Latina women earn 60 cents and 55 cents respectively.

Given the pervasive pay gap that exists in the U.S. between races and genders in nearly all industries, ICCR members repeated their call for reports on median pay gaps across race and gender at 10 companies, including **Amazon**, **Apple**, **Chipotle** and **Target**.

Disclose Plans and Policies Aligned with Achieving Racial Equality

Following George Floyd's murder by police officers on May 25, 2020, and subsequent protests calling for racial justice, a number of corporations made public promises to address racism in their operations and products, yet few corporations have taken concrete steps: all-white boards, a lack of diversity in the C-suite, pay inequity, sexism, harassment, and retaliation remain endemic.

Investors asked six companies including **Charles Schwab** and **Dollar General** to disclose any plans to promote racial justice.



Negative Impacts of Facility Adjacent to Communities of Color

Numerous studies have shown that Black, Indigenous, people of color (BIPOC) communities are disproportionately exposed to public health risks, environmental racism, and climate injustice. Kinder Morgan scores in the bottom ten of As You Sow's Racial Justice Scorecard due to the company's inaction on racial justice, in particular, toxic emissions from its Dutchtown, St. Louis facility.

Investors asked **Kinder Morgan** to issue a report quantifying emissions released from its facilities that impact local communities and to describe how it intends to reduce such impacts.

Racial Equity Audit

Alphabet, Inc.

RESOLVED: Shareholders urge the Board of Directors to commission a third-party, independent racial equity audit analyzing Alphabet Inc.'s adverse impacts on Black, Indigenous and People of Color (BIPOC) communities. Input from racial justice and civil rights organizations and employees, temporary vendors, and contractors should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on Alphabet's website.

WHEREAS: The harmful and often deadly impacts of systemic racism on BIPOC communities are a major focus of policymakers, media, and the public. While Alphabet has made charitable contributions and statements of solidarity with communities of color it must do more to address significant adverse impacts of its policies, practices, and products on communities of color.

Several aspects of Alphabet's business suggest a racial equity audit would help mitigate reputational, regulatory, legal, and human capital risk. Alphabet's Google and YouTube have been implicated in perpetuating racism. The New York Times reported YouTube was successfully weaponized by racists...to undermine Black Lives Matter. Research shows YouTube plays a key role in exposing young people to white supremacist ideology and anti-Muslim propaganda.¹

Google's advertising practices have prompted boycotts by advertisers concerned about discrimination, causing the company to lose advertising revenue. In 2021, five U.S. Senators urged Alphabet to conduct a racial equity audit...to make the company and its products safer for Black people, saying Google Search, its ad algorithm, and YouTube have all been found to perpetuate racist stereotypes and white nationalist viewpoints.²

Shareholders are concerned with the potential adverse impact of Google's artificial intelligence (AI) tools on communities of color. Researchers found that an AI tool developed to detect hate speech was up to twice as likely to identify tweets as offensive when they were written with African American Vernacular English (AAVE) or by African Americans.³ Dermatologists have warned that Google's dermatology app could disproportionately misdiagnose people with dark skin.⁴ Research found that Google's face detection technology is susceptible to a range of racial biases.⁵ Google's Vision AI labeled a thermometer a gun when held by a person of color, but labeled a similar image an electronic device when held by a white person.⁶ Furthermore, there are concerns that Google's technology may be used by the government to surveil immigrants of color.⁷

Executives at peer companies have affirmed the usefulness of racial equity audits,⁸ as have civil rights organizations.⁹

Despite these and other issues, Alphabet has allegedly retaliated against employees who flagged issues of discrimination.¹⁰ In 2020, nine lawmakers wrote to Alphabet with concerns after Google fired Dr. Timnit Gebru, co-lead of Google's AI Ethics team, who led research on discriminatory technology. In 2021, employees told reporters¹¹ that when they reported workplace racism, they were told to assume good intent, seek counseling, or take leave.

1. <https://acrecampaigns.org/wp-content/uploads/2020/04/FanningtheFlames-Oct2019.pdf>

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3. <https://www.newscientist.com/article/2213064-googles-hate-speech-detecting-ai-appears-to-be-racially-biased/#ixzz71qKjsPa>

4. <https://www.vice.com/en/article/m7evmy/googles-new-dermatology-app-wasnt-designed-for-people-with-darker-skin>

5. <https://venturebeat.com/2021/09/03/bias-persists-in-face-detection-systems-from-amazon-microsoft-and-google/>

6. <https://algorithmwatch.org/en/google-vision-racism/>

7. <https://theintercept.com/2020/10/21/google-cbp-border-contract-anduril/>

8. <http://civilrightsdocs.info/pdf/reports/Civil-Rights-Audit-Report-2021.pdf>

9. <https://beyondthestatement.com/tech-framework/>

10. <https://www.engadget.com/nlr-google-complaint-expansion-212411947.html>

11. <https://www.nbcnews.com/tech/tech-news/google-advised-mental-health-care-when-workers-complained-about-racism-n1259728>

Racial Equity Audit

Amazon.com, Inc

A similar resolution was submitted to Dollar General.

RESOLVED: Shareholders of Amazon.com, Inc. (Amazon) request that the Board of Directors commission a racial equity audit analyzing Amazon's impacts on civil rights, diversity, equity and inclusion, and the impacts of those issues on Amazon's business. The audit may, in the board's discretion, be conducted by an independent third party with input from civil rights organizations, employees, communities in which Amazon operates and other stakeholders. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Amazon's website.

SUPPORTING STATEMENT

The murder of George Floyd, and the public outcry over the killings of other Black men and women, has galvanized the movement for racial justice and equity. This movement has focused the attention of media and policymakers on systemic racism, racial violence, and inequities throughout society. Companies would benefit from assessing the potential risks of their products, services and overall corporate practices that are or are perceived to be discriminatory, racist, or increasing inequalities. Companies that fail to assess these risks could face controversies that result in customer and employee attrition, negative press, significant fines or regulatory inquiries.

In 2020, Amazon tweeted its solidarity with the fight against systemic racism. Since then, Amazon has taken some measures to address racial justice and equity, including committing financial resources and publishing workforce diversity data. However, Amazon faces controversies, some significant, that pose various risks and raise questions related to the company's overall strategy and the company's alignment with its public statements. This includes

Controversies related to workforce diversity, treatment of minority workers, environmental justice in communities of color, surveillance and civil rights; Lawsuits alleging discriminatory hiring and promotion practices, and alleging failure to protect warehouse workers, who are mostly people of color; and, Criticism regarding its products and services, and their adverse impacts on civil rights and communities of color.

There is no public evidence that Amazon is assessing the potential or actual negative impacts of its policies, practices, products, and services through a racial equity lens.

Amazon has stated it is conducting a human rights assessment, which is not an audit conducted by auditors who are experienced in rooting out biases and discrimination. Amazon's assessment would not address the core issues of this proposal, including how Amazon is implementing its racial equity, diversity and inclusion strategy, assessing effectiveness, ensuring sufficient oversight mechanisms, and addressing potential structural impediments and implicit biases.

Furthermore, companies, like Starbucks, still faced risks and controversies related to their impacts on people of color after completing similar human rights reporting. Following those controversies, Starbucks conducted an independent racial equity audit that assisted them in identifying, prioritizing, and implementing improvements.

In 2021, 44 percent of Amazon shareholders supported a proposal seeking such an audit.

Because of the pattern and magnitude of controversies repeatedly facing Amazon, we believe that it is in shareholders' best interests for Amazon to proactively identify and mitigate risks through an independent racial equity audit.

Racial Equity Audit

Apple Computer, Inc.

RESOLVED that shareholders of Apple Inc. (Apple) urge the Board of Directors to oversee a third-party audit analyzing the adverse impact of Apple's policies and practices on the civil rights of company stakeholders, above and beyond legal and regulatory matters, and to provide recommendations for improving the company's civil rights impact. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Apple's website.

SUPPORTING STATEMENT

Recently, the racial justice movement together with the disproportionate impacts of the COVID-19 pandemic have focused the public's and policy makers' attention on civil rights and gender and racial equity issues. Apple lists diversity, inclusion, and accessibility among its key values.

It committed \$100 million to a new racial justice initiative following the racial justice protests in 2020. The company has also promoted its longstanding gender and racial pay equity policy.

Yet, it is unclear how Apple plans to address racial inequality in its workforce. The company states that the overall number of Hispanic and Black employees in leadership increased by 90% and 60%, respectively, from 2014-2020, but Apple currently has no Hispanics and only one Black member on its executive team. Further, Hispanic and Black tech employees only account for 8% and 4% of all tech employees, respectively.

Apple shut down three employee run surveys related to pay equity that focused on minorities and women. Nonetheless, achieving true racial and gender equity goes beyond just pay issues. In August 2021, Apple placed a female engineering programming manager on indefinite leave after she accused the company of sexism, harassment, and retaliation. Additionally, Apple hired Antonio Garcia Marti_nez, who had a history of misogynistic and racist commentary, as an advertising platform engineer. While he was fired after a highly publicized employee petition, we believe that a civil rights audit could have identified the concerns raised by Apple's employees far earlier.

Civil rights issues raised by Apple's products and services are also concerning. Privacy experts, over 90 global policy organizations, and Apple's own employees have raised concerns over the company's newly developed child sexual abuse material technology, noting it could be subject to abuse and potential misuse by law enforcement. Further, targeted advertising has a history of racist and sexist impacts. Apple's advertising business increased from \$300 million in 2017 to \$3 billion in 2021. Given the importance of advertising to Apple's future profitability, we believe that it should be subject to rigorous third-party analysis of its racial and gender impacts.

A civil rights audit will help Apple identify, remedy, and avoid adverse impacts on its stakeholders. We urge Apple to assess its behavior through a civil rights lens to obtain a complete picture of how it contributes to social and economic inequality.

Racial Equity Audit

Goldman Sachs Group Inc.

Similar resolutions were submitted to Comcast Corp., Home Depot, Inc., Invesco Ltd., MAXIMUS, Inc., Oracle Systems Corp., Southern Company, Valero Energy Corporation, and Wells Fargo & Company.

RESOLVED that shareholders of Goldman Sachs Group Inc. (Goldman) urge the Board of Directors to oversee an independent racial equity audit analyzing Goldman's impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at a reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Goldman's website.

SUPPORTING STATEMENT: High-profile police killings of black people—most recently George Floyd—have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic, have focused the attention of media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system.

Goldman touts its \$10 million Fund for Racial Equity, which will support organizations addressing racial injustice, and the \$17 million it deployed to organizations supporting [COVID-19] relief efforts in communities of color.¹ But Goldman's own diversity and inclusion record is subpar. According to its EEO-1 report, while Black workers make up 6.8% of Goldman's U.S. workforce; only 3.2% of senior managers and 3.1% of lower level managers are Black.² A viral June 2020 email from a Black managing director stated: [W]hile our firm expresses a commitment to equality and social justice up top, [junior colleagues] don't necessarily see commitment and support from their direct managers.³

Goldman's proxy voting is misaligned with its stated commitment to racial equity. Of the 18 asset managers with assets under management of at least \$1 trillion, Goldman was one of only five that voted against every racial equity audit proposal in 2021. Goldman also voted to reelect the nominating committee chairs at 87% of S&P 500 companies with all-white boards.

Goldman underwrites municipal bonds which proceeds pay police brutality settlements. Goldman was lead underwriter for a 2017 Chicago offering that allocated \$225 million and for settlements and judgments and a 2020 refunding bond intended to plug a huge hole in the Chicago budget,⁴ including a \$90 million

increase in the amount appropriated for settlements and judgments of various claims, including police brutality claims.⁵ One report characterized these bonds as a transfer of wealth from over-policed communities of color to Wall Street and wealthy investors.⁶

Goldman's philanthropy fund has donated to the Los Angeles, New York City, Houston and other police foundations,⁷ and Goldman Sachs Asset Management co-chaired the New York City police foundation's 2019 annual gala.⁸ Police foundations buy equipment for police departments, including surveillance technology that has been used to target communities of color and nonviolent protestors.

We urge Goldman to assess its behavior through a racial equity lens to identify how it contributes to systemic racism, and how it could begin to help dismantle it.

1. <https://www.goldmansachs.com/citizenship/fund-for-racial-equity/index.html>

2. <https://www.goldmansachs.com/our-commitments/sustainability/sustainable-finance/documents/reports/2020-people-strategy-report.pdf>, at 37.

3. <https://www.reuters.com/article/us-usa-goldman-sachs-race/goldman-sachs-executives-email-making-plea-for-racial-equality-goes-viral-at-firm-idUSKBN23C086>

4. <https://financialpost.com/pmnl/business-pmn/chicago-eyes-bigger-budget-savings-from-up-sized-bond-refunding>

5. <https://emma.msrb.org/ES1338805-ES1044119-ES1447851.pdf>, at 6.

6. <http://nathancummings.org/wp-content/uploads/PoliceBrutalityBonds-Jun2018-1.pdf>, at 7.

7. https://policefoundations.org/wp-content/uploads/2021/10/Police-Report-2021_10_05_FINALV3.pdf, at 33.1

8. <https://www.institutionalinvestor.com/article/b1m0xjc8wmn3mf/Color-of-Change-Calls-on-Larry-Fink-to-Stop-Supporting-NYC-Police-Foundation>

Racial Equity Audit

Mondelēz International, Inc.

A similar resolution was submitted to Intact Financial Corporation.

RESOLVED, shareholders request Mondelēz International, Inc. (Mondelēz) conduct and publish (at reasonable cost and omitting proprietary information) a third-party audit analyzing Mondelēz's adverse impacts on non-white stakeholders and communities of colour. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed.

SUPPORTING STATEMENT: The global racial justice movement, coupled with the disproportionate impacts of the COVID-19 pandemic on communities of colour, have amplified calls for institutions to address racial equity issues.

Mondelēz has announced a multi-year commitment to advance racial equity through its U.S. and global diversity and inclusion initiatives.¹ However, its commitments do not address potential racial equity issues in its products and services. For example, a 2019 study conducted by the UConn Rudd Center for Food Policy & Obesity found that Mondelēz spent USD\$3.4 million on Black-targeted TV advertising and USD\$9.2 million on Spanish-language TV advertising.² The Company's marketing strategies disproportionately impact communities of colour and increasing rates of diet-related diseases among these same communities have intensified calls for more robust and transparent responsible marketing practices.³

Additionally, Mondelēz's current racial justice commitments lack transparency. For example, the Company indicated that it is on track⁴ to meeting its 2024 goal to double the representation percentage of Black colleagues in U.S. management,⁵ but it does not publish any meaningful metrics demonstrating the progress made by the Company so far and the merit of its investments.⁶

Mondelēz is a member of the Consumer Brands Association (CBA).⁷ More than half of the CBA's total contributions targeted Republican candidates, including Senator Mitch McConnell,⁸ who, in a recent letter to the Secretary of Education, stated that the 1619 project is debunked advocacy and should not be taught to students.⁹ Many racial justice advocates argue that attacks towards racial equity education fuel divisiveness and hinder progress towards racial justice.^{10 11}

The adverse impacts of Mondelēz's products go beyond the U.S. border. For instance, an audit published in October 2021 found that Mondelēz was one of the largest plastics polluters in the world—contributing to plastics pollution in at least 28 countries where it operates.¹² Research shows that climate injustice, including plastic pollution, disproportionately burdens communities of colour.¹³ In 2020, the Company was even sued for its contribution to the global plastics pollution crisis.¹⁴

Racial equity issues present significant legal, financial, regulatory, and reputational business risks. Dirk Van de Put, Chairman and CEO of Mondelēz said: Mondelēz International is committed to building a more diverse, inclusive and equitable world, both socially and economically.¹⁵ A racial equity audit is an important and effective step in establishing a more transparent system of accountability. Mondelēz should take this opportunity to ensure that its business model supports the development of accountable, resilient, and inclusive economies.

1. <https://ir.mondelezinternational.com/node/24521/pdf>

2. <https://uconnruddcenter.org/wp-content/uploads/sites/2909/2020/09/TargetedMarketingReport2019.pdf> page 95

3. <https://www.brookings.edu/blog/up-front/2020/08/07/black-and-hispanic-americans-at-higher-risk-of-hypertension-diabetes-obesity-time-to-fix-our-broken-food-system/>

4. <https://www.mondelezinternational.com/Snacking-Made-Right/Reporting-and-Disclosure>

5. <https://www.mondelezinternational.com/Snacking-Made-Right/Reporting-and-Disclosure>

6. https://www.mondelezinternational.com/-/media/Mondelez/Snacking-Made-Right/SMR-Report/2020/2020_MD LZ_Snacking_Made_Right_Report.pdf page 10

7. <https://www.mondelezinternational.com/-/media/Mondelez/PDFs/trade-associations.pdf>

8. https://feedthetruth.org/wp-content/uploads/2021/07/FeedtheTruth_WhitePaper_210401.pdf

9. <https://www.republicanleader.senate.gov/imo/media/doc/FINAL%20DOE%20Civics%20Education%20Signed%204.29.21.pdf>

10. <https://www.vanityfair.com/news/2021/05/mitch-mcconnell-dont-teach-our-kids-that-america-is-racist>

11. <https://www.washingtonpost.com/education/2021/05/03/critical-race-theory-backlash/>

12. <https://www.breakfreefromplastic.org/wp-content/uploads/2021/10/BRAND-AUDIT-REPORT-2021.pdf> page 16

13. <https://www.breakfreefromplastic.org/wp-content/uploads/2021/10/BRAND-AUDIT-REPORT-2021.pdf> page 11

14. <https://www.reuters.com/article/us-health-minorities-food-ads-idUSKCN1PB205>

15. <https://ir.mondelezinternational.com/news-releases/news-release-details/mondelez-international-announces-multi-year-commitment-advance>

Racial Equity Audit

Toronto-Dominion Bank

A May 2021 survey of Black Canadian entrepreneurs¹ reported that Black-led/owned businesses face barriers to growth resulting from systemic racism. 76% of Black entrepreneurs surveyed said their race makes it harder to succeed, with the lack of access to capital being the greatest barrier.

An April 2021 survey of Black Business and Professional Association (BBPA) members in Ontario contrasted the views of Black business owners on pandemic effects against a survey conducted by the Canadian Independent Business Association (CIBA), noting significant disparities:²

Statement	CIBA Survey Respondents	BBPA Survey Respondents	Difference
I can survive less than a month under current conditions:	25%	85%	-60%
I have no more capacity to take on debt during this emergency:	56%	98%	-42%
I do not have cash flow to pay this month's bills:*	30%	80%	-50%
I am worried about permanent closure:*	39%	85%	-46%

* Subset of those businesses that are fully open.

Under/Unbanking in Minority Communities

A recent academic review commissioned by the BCSC³ found estimates of unbanked Canadians (no official relationship with a bank) ranged from 3%-6%, and underbanked Canadians (rely on fringe financial institutions like payday lenders) ranged from 15%-28%. The review also found that under/unbanking has a disproportionate effect on Indigenous peoples, and that financial access has been cited by researchers as an endemic problem in 'low-income communities of color.'

TD Performance on Racial Equity

TD's actions on race include the TD Community Resilience Initiative \$100M equity fund supporting minority-owned small businesses in the United States 94% of employees completed training anti-Black racism training participating in the Black Entrepreneurship Loan Fund creating a roadmap to attract and retain Black professionals committing to doubling Black executives by 2022 and increasing minority executive representation by 50% by 2025 supporting financial coaching to under/unbanked families in three U.S. states.

TD faced negative publicity in April 2021 after a Black TD customer of over 20 years reported repeated experiences with racism in Ottawa.⁴ In March 2021 the Committee for Better Banks assessed the U.S. banking sector on diversity data disclosure, representation and advancement and stated following regarding TD U.S.⁵

TD Bank received a final grade of D+. TD Bank underperformed industry and peers in terms of advancement and promotion for Black and Latino employees from professional through executive job levels, and in promotion of Asian workers to executive management.

U.S. Racial Equity Initiatives

Public companies in the U.S. have commissioned independent and objective reviews of their organizations' effectiveness at combating systemic racism (racial equity audits).

In October 2021, Citigroup became the first Wall Street bank to announce a racial equity audit. In October 2020 JPMorgan Chase committed \$30B to racial equity efforts, including addressing heightened levels of under/unbanking in Black and Latinx communities.⁶

RESOLVED that shareholders request the Board commission and publish an independent racial equity audit analyzing the efficacy of TD's efforts to:

- better support minority business owners,
- address heightened under/unbanking in minority communities, and
- improve advancement of visible minority employees.

1. <https://abacusdata.ca/wp-content/uploads/2021/06/Inclusive-Entrepreneurship-Senator-Deacon-English-Deck.pdf>

2. <https://bbpa.org/wp-content/uploads/2021/06/black-business-survey-by-the-bbpa.pdf>

3. https://bcbasicincomepanel.ca/wpcontent/uploads/2021/01/Financial_Inclusion_in_British_Columbia_Evaluating_the_Role_of_Fintech.pdf

4. <https://www.cbc.ca/news/canada/ottawa/td-bank-racism-1.5999029>

5. https://www.bankaccountability.org/system/files/cbb_di_analysis_0.pdf

6. <https://www.jpmorganchase.com/news-stories/jpmc-commits-30-billion-to-advance-racial-equity>

Racial Equity Audit

Anthem, Inc.

A similar resolution was submitted to American Water Works Company, Inc., Johnson & Johnson, LHC Group, SVB Financial Group and Travelers Companies, Inc.

WHEREAS: To combat systemic racism, corporations should recognize and remedy industry- and company-specific barriers to everyone's full inclusion in societal and economic participation. Racial wealth gaps cost the U.S. economy an estimated \$16 trillion over the past twenty years,¹ while closing gaps could add 4-6% to U.S. GDP by 2028.²

Business as usual in the healthcare sector results in disparate outcomes according to race. Black and Native Americans have higher death rates than white people across a variety of illnesses.³ One study found a potential economic gain of \$135 billion per year if racial disparities in health are eliminated, including \$93 billion in excess medical care costs and \$42 billion in untapped productivity.⁴

Although data is an invaluable tool, it must be used carefully in regards to race. A widely used health insurance company's algorithm was found to refer equally sick Black people to care less frequently than white people.⁵ Opaque data collection practices by health insurance companies raise the possibility of discrimination and pose reputational risk.⁶

One year after many companies made commitments to racial justice, the practical outcomes remain unclear. A 2021 analysis characterized fifty corporate pledges totaling \$49.5 billion as falling short of addressing systemic racism.⁷ Shareholders lack independent assessments that racial equity strategies are impactful, address appropriate topics, and unlock growth.

Although Anthem has committed \$50 million to combat racial injustice, strengthen communities, and address health inequities⁸ among a variety of other initiatives, it has not conducted an outside assessment of its current and potential racial impacts.

Addressing systemic racism and its damaging economic costs demands more than a reliance on internal action and assessment. Audits engage companies in a process that internal actions alone may not replicate, unlocking hidden value and uncovering blind spots that companies may have to their own policies and practices. Company leaders are not diversity, equity, and inclusion experts and lack objectivity. A racial justice audit examines the differentiated external impact a company has on communities of color.

Given the many companies across sectors embroiled in race-related controversies, any company without a comprehensive third-party audit and plan for improvement of its internal and external racial impacts could be at risk.⁹ Companies such as Facebook, Starbucks, and Blackrock have committed to such audits, and guidelines have been developed by practitioners.¹⁰

RESOLVED: shareholders urge the board of directors to oversee a third-party audit (within a reasonable time and at a reasonable cost) which assesses and produces recommendations for improving the racial impacts of its policies, practices, products and services, above and beyond legal and regulatory matters. Input from stakeholders, including civil rights organizations, employees, and customers, should be considered in determining the specific matters to be assessed. A report on the audit, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company's website.

1. https://ir.citi.com/NvUklHPilz14Hwd3oxqZBLMn1_XPqo5FrxsZD0x6hhil84ZxaxEuJUWmak51UHvYk75VKeHCMl%3D
2. <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-economic-impact-of-closing-the-racial-wealthgap>
3. <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=61>,
<https://www.kff.org/racial-equity-and-health-policy/issuebrief/dispairities-in-health-and-health-care-5-key-question-and-answers/>
4. <https://altaram.org/RacialEquity2018>
5. <https://www.nature.com/articles/d41586-019-03228-6>
6. <https://www.propublica.org/article/health-insurers-are-vacuuming-up-details-about-you-and-it-could-raise-your-rates>,
<https://www.nejm.org/doi/10.1056/NEJMms2004740>
7. <https://philanthropynewsdigest.org/news/corporate-pledges-for-racial-justice-fall-short-analysis-finds>
8. <https://philanthropynewsdigest.org/news/anthem-commits-50-million-for-racial-justice-health-equity>
9. <https://www.nytimes.com/2020/06/06/business/corporate-america-has-failed-black-america.html>
10. <https://www.proxyreview.org/2021/contributor-articles-blog/racial-justice-audits-holding-companies-accountable-for-their-rolein-system-racism>,
<http://www.civilrightsdocs.info/pdf/reports/Civil-Rights-Audit-Report-2021.pdf>

Racial Equity Audit

Verizon Communications Inc.

WHEREAS: The harmful and often deadly impacts of systemic racism on Black, Indigenous and People of Color (BIPOC) communities are a major focus of policy makers, governments, and civil society. While Verizon has made charitable contributions and statements of solidarity with BIPOC communities it can further address significant adverse impacts of its policies, practices, and products on BIPOC communities. Several aspects of Verizon's business suggest a racial equity audit could help mitigate reputational, regulatory, legal, license to operate, and human capital risk.

A workplace culture that promotes and fosters diversity, equity, and inclusion (DEI). Investors and stakeholders increasingly want to understand equity and inclusion efforts from companies. Releasing diversity data is now considered a baseline request that helps to meet DEI objectives but does not provide critical information on workforce retention and promotion. In recent years Verizon employees have filed complaints¹ regarding the company's workplace that included claims that Verizon enables a work environment where white managers have engaged in racially discriminatory behavior and retaliation toward a predominantly black workforce. While Verizon may have worked to resolve these incidents, the company is exposed to future allegations of discrimination if it is only reactive to these events. Product sales can be affected from reputational risks and affect the ability to hire and maintain a diverse workforce or locate corporate facilities in certain communities.² Verizon's public policy involvement may put the company's credibility on its commitment to DEI at risk. Verizon does not clearly report on how the company makes decisions in areas including government affairs activities including lobbying and trade associations. Reputational issues extend to the fiduciary obligations of boards of directors to their shareholders to preserve and enhance the company's value. Verizon's board seat on organizations whose mission and activities may be at odds with Verizon's own positions on inclusion can jeopardize a company's reputation. Verizon's board membership to the Boston Municipal Research Bureau drew concern from stakeholders for allegedly spreading misinformation running up to a vote on a more inclusive and participatory budgetary process.³

Major public companies and institutional investors are recognizing the benefits of conducting racial equity audits.⁴ By conducting a racial equity audit, Verizon can identify potential concerns across its business lines and activities as stated above as well as: AI software that is inherently biased; discriminating on social media platforms; marketing containing discriminatory content; offering lesser customer service or charging higher prices to members of the LGBTQIA or BIPOC communities.

RESOLVED: Shareholders urge the Board of Directors to commission and publicly disclose the findings of an independent racial equity audit, analyzing if, and how, Verizon's policies and practices discriminate against or disparately impact Black, Indigenous and People of Color (BIPOC) communities. Input from racial justice and civil rights organizations, employees, and contractors should be considered in determining specific matters to be analyzed. A report on the audit should be prepared at reasonable cost and omitting confidential and proprietary information

1. <https://www.dol.gov/newsroom/releases/ofccp/ofccp20200626-0>

2. <https://journals.aom.org/doi/full/10.5465/amr.2017.0127>

3. <https://nextcity.org/urbanist-news/entry/boston-votes-on-who-holds-city-pursestrings>

4. <https://www.socinvestmentgroup.com/critical-tool-for-shareholders>

Racial Equity Audit

Pfizer, Inc.

RESOLVED that shareholders of Pfizer Inc. (Pfizer) urge the Board of Directors to oversee a third-party racial equity audit analyzing Pfizer's impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations, experts on race and healthcare outcomes, and employees should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Pfizer's website.

SUPPORTING STATEMENT

High-profile police killings of black people have galvanized the movement for racial justice. That movement, and the disproportionate impacts of the COVID-19 pandemic, have focused public attention on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system.

Several aspects of Pfizer's business and operations suggest that a racial equity audit would be useful. Pfizer's 2020 EEO-1 data show that, of 112 senior executives, only three are Latinx and six are Black.¹

Controversy over high drug prices has dogged drug makers, and Pfizer's own analysis rates risks related to pricing and access as among the most important.² Studies show that Black and Latinx patients are more likely to ration medication due to cost.³ Although Pfizer's disclosure references improving access in underserved communities and historically disregarded populations,⁴ it does not analyze the impact of Pfizer's business practices on nonwhite populations.⁵

Political spending and lobbying may have adverse racial impacts. In 2020, the Pharmaceutical Research and Manufacturers of America, the industry trade association to which Pfizer belongs, spent \$25.9 million on lobbying, and Pfizer spent over \$13 million.⁶ The industry opposes legislation to allow Medicare to negotiate drug prices and to cap out-of-pocket costs,⁷ which may disproportionately affect nonwhite patients. The U.S. Chamber of Commerce, of which Pfizer is a member, opposed legislation to strengthen voting rights and limit partisan gerrymandering;⁸ gerrymandering is often used to limit the political power of nonwhite voters.⁹

In a June 2020 letter on efforts to address racism and equity concerns, CEO Albert Bourla trumpeted the fact that Pfizer's Political Action Committee (PAC) had officially revised [its] bylaws to ensure that PAC recipients consistently demonstrate behaviors that align with our Values.¹⁰ Nonetheless, in the 2020 election cycle, Pfizer's PAC donated \$158,000 to Republican members of Congress who objected to certifying the 2020 election results,¹¹ an action some viewed as a direct attack on the voting rights of people of color.¹² Pfizer's PAC contributed to co-sponsors of Georgia's voting restrictions,¹³ as well as supporters of voting restrictions in other states,¹⁴ which have been assailed as disproportionately affecting nonwhite voters.¹⁵

Finally, an independent audit would provide objectivity, assurance and specialized expertise beyond what would be possible with an internal analysis.

1. https://careers.pfizer.com/sites/default/files/pfizer_2020_eeo1_consolidated_report.pdf

2. www.pfizer.co.jp/pfizer/company/documents/Pfizer_ESG_Report_2020.pdf, at 8.

3. acrecampaigns.org/wp-content/uploads/2020/08/POISON-FINAL-DRAFT.pdf, at 7 & n. iv (citing studies).

4. www.pfizer.co.jp/pfizer/company/documents/Pfizer_ESG_Report_2020.pdf, at 19-21.

5. See www.pfizer.com/news/hot-topics/advancing_health_equity_social_justice_through_community_investment; www.pfizer.co.jp/pfizer/company/documents/Pfizer_ESG_Report_2020.pdf; www.sec.gov/Archives/edgar/data/78003/000007800321000047/proxystatement.htm, at 103

6. www.opensecrets.org/federal-lobbying/clients/summary?cycle=2020&id=D000000504; www.opensecrets.org/federal-lobbying/clients/summary?cycle=2020&id=D000000138

7. <https://www.fiercepharma.com/pharma/peddling-influence-d-c-cost-pharma-industry-a-record-92m-fir-st-quarter>

8. <https://fortune.com/2021/04/14/chamber-commerce-voting-rights-senators/>

9. See, e.g., <https://www.propublica.org/article/partisan-gerrymandering-is-still-about-race>; <https://thehill.com/homenews/state-watch/534351-voting-rights-groups-see-gerrymandering-as-potent-threat>; <https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1088&context=firo>.

10. <https://www.linkedin.com/pulse/equity-action-albert-bourla/>

11. <https://edition.cnn.com/interactive/2021/01/business/corporate-pac-suspensions/>

12. See <https://www.nytimes.com/2021/01/15/us/politics/lankford-apology-election-biden.html>; <https://www.marketwatch.com/story/business-leaders-call-for-action-on-trump-after-mob-siege-at-capitol-11609976655>

13. <https://popular.info/p/georgia>

14. <https://www.citizen.org/article/corporate-sponsors-of-voter-suppression-state-lawmakers-50-million/>

15. <https://www.brennancenter.org/our-work/research-reports/voting-laws-roundup-october-2021>; <https://www.cnn.com/interactive/2021/05/politics/black-voting-rights-suppression-timeline/>

Civil Rights Audit

Stericycle Inc.

RESOLVED: That shareholders of Stericycle, Inc., urge the Board of Directors to oversee a third-party audit analyzing the adverse impact of Stericycle's policies and practices on the civil rights of company stakeholders, above and beyond legal and regulatory matters, and to provide recommendations for improving the Company's civil rights impact. Input from civil rights organizations, employees, customers, and other stakeholders should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Stericycle's website.

SUPPORTING STATEMENT:

Racial justice concerns together with the disproportionate impacts of COVID-19 have focused public and policy maker attention on civil rights, gender and racial equity issues. Stericycle's 2021 Corporate Social Responsibility report details an Equity Task Force and the creation of employee resource groups supporting women, Black or African Americans, LatinX, Veterans, and the LGBTQ+ community. CEO Cindy Miller also signed the CEO Action for Diversity & Inclusion Pledge.

The civil rights impact of Stericycle's facilities also warrants further disclosure, given the history of environmental racism in the waste industry.¹ Stericycle operates ten incinerators for Hospital, Medical, and Infectious Waste (HMIW) – a source of potential air pollution. In January 2021, for example, Stericycle announced a \$2.6 million settlement with the Environmental Protection Agency and Department of Justice over allegations of nitrogen oxide pollution at its HMIW incinerator in North Salt Lake, Utah. The facility is the subject of a long-running environmental controversy, even attracting the attention of famed activist, Erin Brockovich. From a recent study, we know 79% of the country's municipal solid waste incinerators are located in low-income communities and/or communities of color;² however, Stericycle investors lack disclosure concerning the sociodemographic composition of communities surrounding Stericycle's HMIW incinerators, or how, if at all, Stericycle is considering civil rights in locating and operating facilities.

We urge Stericycle to assess its behavior through a civil rights lens to obtain a complete picture of how it contributes to social and economic inequality and avoid adverse impacts on its stakeholders.

Noteworthy, however it remains unclear how effective these practices are based on Stericycle's reporting. For example, Stericycle discloses 53% of its U.S. workforce is non-white and provides the racial and ethnic composition of recent hiring and promotion, but does not report its EEO-1 data, detailing positions held by these groups (despite providing a snapshot of gender diversity in management ranks). This is particularly significant given the inherent dangers for operation-level employees in the handling, transporting and treatment of regulated waste, such as, hazardous medical materials. Without greater disclosure it is difficult for investors to gauge Stericycle's stated commitment to the advancement of historically marginalized groups.

1. <https://www.washingtonpost.com/climate-environment/interactive/2021/environmental-justice-race/>

2. <https://www.eesi.org/articles/view/qa-addressing-the-environmental-justice-implications-of-waste>

Racial Equity Audit

Chevron Corp.

Similar resolutions were submitted to Dow Inc. and Tyson Foods, Inc.

RESOLVED: Shareholders request that the Board of Directors commission and publicly disclose the findings of an independent racial equity audit, analyzing if, and how, Chevron's policies and practices discriminate against or disparately impact communities of color. The report should clearly identify, and recommend steps to eliminate, business activities that further systemic racism, environmental injustice, threaten civil rights, or present barriers to diversity, equity, and inclusion (DEI). Input from impacted workers, community members, customers, or other relevant stakeholders should inform the audit and report. The report should exclude confidential and proprietary information, as well as information relevant to any pending legal proceeding or threatened proceeding of which Chevron has notice.

WHEREAS: Racial inequity and environmental racism are systemic risks that threaten society and the economy.¹ Companies that fail to correct policies and practices deemed to be racist, discriminatory, or furthering inequities face legal, financial, reputational, and human capital management risks. Companies that commit to holistically advance racial justice and foster DEI benefit from stronger performance, employee satisfaction, innovation, and positive social impact.²

Chevron is one of the highest greenhouse gas emitting companies in the world.³ Its emissions contribute to the climate crisis, which disparately impacts people of color and furthers systemic racism.⁴ Chevron's operations, discharges, and leaks disproportionately burden communities of color with pollution and human health risks.⁵

For example, 80% of residents living adjacent to Chevron's Richmond, CA refinery are people of color, and they experience higher rates of cardiovascular disease, cancer, and asthma.⁶ Chevron's Richmond facility is the city's largest polluter and the company has spent millions of dollars to influence city politics and funding.⁷ Chevron also finances the Richmond police,⁸ which has been linked to police brutality.⁹ Beyond Richmond, Chevron finances police groups in major U.S. cities and Chevron representatives serve on the boards of Houston and Salt Lake City police foundations.¹⁰ Additionally, Chevron faces scrutiny for financing United States politicians with failing civil rights grades issued by the NAACP.¹¹

Chevron's business disparately impacts Indigenous Peoples. Over 60% of publicly reported abuses from Chevron's operations impacted Indigenous Peoples, including violation of land rights, allegations of genocide, violence against Indigenous women,¹² and widespread environmental damage and human rights violations in Ecuador¹³, Indonesia¹⁴, Nigeria¹⁵, and the United States¹⁶.

While Chevron has made DEI and philanthropic commitments to support Black employees and communities, its practices have historically exacerbated racial inequities.¹⁷ An independent 2021 report documented dozens of outstanding legal cases against Chevron for alleged environmental damage and human rights violations, noting that the company has only paid .006% of associated fines, court judgements, and settlements.¹⁸ A racial equity audit would help Chevron identify, prioritize, remedy, and avoid adverse impacts on people of color while reducing reputational risk and liabilities.

1. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/racial-inequity-a-systemic-risk-8211-state-street-global-advisors-ceo-62047105>
2. <https://www.forbes.com/sites/forbeshumanresourcescouncil/2021/05/19/15-key-benefits-of-dei-to-communicate-with-team-members/?sh=78cbb835195c>
3. <https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcd1d.ssl.cf3.rackcdn.com/cms/reports/documents/000/002/327/original/Carbon-Majors-Report-2017.pdf?1499691240>
4. <https://e360.yale.edu/features/unequal-impact-the-deep-links-between-inequality-and-climate-change> ; <https://blog.ucsusa.org/kathy-mulvey/six-ways-chevron-imperils-climate-human-rights-and-racial-justice/>
5. <https://www.scientificamerican.com/article/pollution-poverty-people-color-living-industry/>
6. <https://www.theguardian.com/environment/2019/oct/09/richmond-chevron-california-city-polluter-fossil-fuel>; <https://ej4all.org/life-at-the-fenceline>
7. <https://www.eastbaytimes.com/2014/10/10/chevron-unleashes-campaign-spending-to-influence-richmond-election/>
8. <https://stopthemoneypipeline.com/wall-street-and-fossil-fuel-companies-are-funding-police-violence/>
9. <https://www.mercurynews.com/2021/02/15/richmond-pays-135k-to-settle-brutality-lawsuit-against-controversial-cop-officer-involved-is-on-admin-leave-for-an-unrelated-investigation/> ; <https://eastbayexpress.com/more-questions-than-answers-in-richmond-police-shooting-1/>
10. <https://www.theguardian.com/us-news/2020/jul/27/fossil-fuels-oil-gas-industry-police-foundations>
11. <https://www.globalwitness.org/en/campaigns/oil-gas-and-mining/chevron-stop-funding-racism/>
12. https://chevronsglobaldestruction.com/chevrons_global_destruction_report.pdf
13. <https://www.business-humanrights.org/en/latest-news/the-case-of-chevron-in-the-ecuadorian-amazon-the-ruling-of-the-supreme-court-of-canada-closes-the-doors-to-end-impunity/>
14. <https://ejatlas.org/print/indonesia-against-chevron>
15. <https://sustainable-economy.org/wp-content/uploads/2018/02/Chevron-HR-in-Niger-Delta-Chad-Cam.pdf>
16. <https://www.npr.org/templates/story/story.php?storyId=121853115>
17. <https://insideclimatenews.org/news/20062020/chevron-black-lives-matter-twitter/>
18. https://chevronsglobaldestruction.com/chevrons_global_destruction_report.pdf

Civil Rights Audit

Altria Group, Inc.

WHEREAS: we believe in full transparency of the effectiveness of Altria's commitment to prevent underage use of nicotine products¹ and its commitment to racial equity² so we can determine if they adequately address potential legal, financial, and reputational business risks.

RESOLVED: Shareholders of Altria, Inc. (Altria) request that the Board of Directors commission a third-party civil rights equity audit to review its corporate policies, practices, products and services, above legal and regulatory matters; to assess the impact of the Company's policies, practices, products and services on BIPOC (Black, Indigenous and people of color) and Latinx/a/o/e communities, including youth. Input from civil rights organizations, employees, customers, and communities in which Altria operates and other stakeholders should be considered. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Altria's website.

SUPPORTING STATEMENT: Altria notes increases in youth usage of e-vapor have threatened to undermine the hard-fought gains made in preventing underage use.³ As age is a protected class in the US constitution, a civil rights audit should include impacts on children and youth.

In December 2018, Altria invested \$12.8 billion in JUUL, taking a 35% stake in the company, and providing advertising and sales support. JUUL currently commands three-quarters of the e-cigarette market.

Data from the Centers for Disease Control shows that 86.3% of middle and high school students had been exposed to tobacco product advertisements or promotions, and 27.5% of high schoolers reported current e-cigarette use in 2019. Additionally, an estimated 53.3% of high school students and 24.3% of middle school students reported having ever tried a tobacco product.⁴ A multi-state coalition of Attorneys General is investigating JUUL's marketing and sales practices to underage users. Altria shares fell as much as 2.7% after Dow Jones reported the FTC is investigating the marketing practices of JUUL Labs.

Tobacco/nicotine companies have historically placed larger amounts of advertising⁵ in African American publications, disproportionately exposing African Americans to more cigarette ads than Whites. Additionally, tobacco companies use price promotions such as discounts and multi-pack coupons—which are most often used by African Americans and other minority groups, women, and young people—to increase sales.⁶

A racial equity audit is an important step in establishing a transparent system of accountability. Altria should take this opportunity to review its policies, practices, products and services, and how they impact the civil rights of youth and BIPOC communities.

1. <https://www.altria.com/en/responsibility/prevent-underage-use>

2. <https://www.altria.com/en/people-and-careers/our-people-and-communities/racial-and-economic-equity>

3. https://www.altria.com/en/about-altria/government-affairs/public-policy-positions/legislation-preventing_underage-use

4. Tobacco Product Use and Associated Factors Among Middle and High School Students - United States. 2019 | MMWR (cdc.gov)

5. African Americans and Tobacco Use | CDC6 African Americans and Tobacco Use | CDC

Civil Rights Audit

Waste Management Inc.

A similar resolution was submitted to Republic Services, Inc.

RESOLVED that shareholders of Waste Management, Inc. (Waste Management), urge the Board of Directors to oversee a third-party audit analyzing the adverse impact of Waste Management's policies and practices on the civil rights of company stakeholders, above and beyond legal and regulatory matters, and to provide recommendations for improving the company's civil rights impact. Input from civil rights organizations, employees, customers, and other stakeholders should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Waste Management's website.

SUPPORTING STATEMENT:

Recently, the racial justice movement together with the disproportionate impacts of the COVID-19 pandemic have focused the public's and policy makers' attention on civil rights and gender and racial equity issues. In response to the racial justice protests in June 2020, Waste Management's CEO stated that Waste Management's family stand united against racism. Inclusion, equity, and diversity (IE&D) is also a fundamental value and part of the company's code of conduct.

While the company states IE&D is a fundamental value, its policies and practices fail to reflect this statement. Waste Management's workforce is 22% Hispanic, 19% Black, and 18% women according to its latest diversity report (2020 data). Yet only 11% of executives are considered ethnically diverse. Further, based on 2019 data (the latest year for which Waste Management broke out the category), nearly half of the jobs held by women are in administrative support, while 79% of executive and management level positions are held by men. Though the company has a goal of increasing representation of women overall and minorities in all segments of the business by 2025, it is unclear how Waste Management is evaluating the effectiveness of these programs given there does not appear to be concrete metrics attached.

Lending urgency to an audit is the recent suggestion by company management that immigrants are good candidates for alleviating the industry's perceived driver shortage.¹ Targeting immigrants to fill high-paying, stable jobs could help ameliorate inequalities. However, immigrants, especially those of color, are among the most vulnerable and easily exploitable populations. A PBS NewsHour report noted, Immigrants perform some of America's lowest-paying, arduous jobs, and are among those most victimized by employers failing to pay them fairly.²

The civil rights impact of Waste Management's facilities and services also warrant further evaluation. The company disclosed that the majority of people living within one kilometer of its facilities are non-white. While the company is providing greater transparency on its environmental justice footprint, it does not appear to have objectively evaluated how this data could be used to address the disproportionate impact of its facilities on the public health and economic equality of communities of color.

We urge shareholders to vote FOR this proposal.

1. https://www.wastedive.com/news/waste_expo_labor_shortage_incarcerated_worker_opportunities/602638/

2. https://www.pbs.org/newshour/economy/wage_theft_hits_immigrants_hard

Civil Rights Audit

XPO Logistics

RESOLVED: The shareholders of XPO Logistics Inc. (XPO), urge the Board of Directors to oversee a third-party audit analyzing the adverse impact of the Company's policies and practices on the civil rights of company stakeholders, above and beyond legal and regulatory matters, and to provide recommendations for improving the Company's civil rights impact. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on XPO's website.

SUPPORTING STATEMENT: The racial justice movement together with the disproportionate impacts of the COVID-19 pandemic have focused attention on civil rights and gender and racial equity issues. XPO has responded by including Diversity, Equity, and Inclusion (DEI) metrics in its executive compensation plans and internalizing DEI concerns into its structure. However, the integrity, scope and fulsome nature of these efforts are thrown into doubt by the lengthy list of misclassification lawsuits and regulatory actions against XPO.

Misclassification deprives workers of full wages under minimum wage and overtime work laws, leading to 'wage theft,' and other critical labor protections. Preventing misclassification is an essential element of any program to advance racial and gender equity, given that women and/or people of color are overrepresented in sectors at risk for misclassification (e.g. see <https://www.minnesotalawreview.org/wp-content/uploads/2017/02/Alexander.pdf>).

California's port drayage drivers play a vital role in the nation's supply chains, yet a California statute (SB 338) refers to them as the last American sharecroppers, who suffer from rampant misclassification, which contributes to wage theft and ... a cycle of poverty. They are a largely immigrant workforce, particularly vulnerable to exploitation and often fearful to report violations to state agencies or unaware of their rights, depriving them of access to critical safety net benefits by virtue of their misclassification. These drivers have also been found to be overwhelmingly Latino (e.g. see https://www.researchgate.net/publication/240628100_A_Study_of_Drayage_at_the_Ports_of_Los_Angeles_and_Long_Beach).

According to SB 338 there could be 16,000 misclassified drivers in California's ports, which process 40% of all shipping containers entering the country.

Critically, misclassification is a material risk for XPO. Last October, for instance, XPO agreed to pay nearly 800 drivers almost \$30 million to settle class action lawsuits concerning its Californian intermodal drayage operations, which alleged the drivers were willfully misclassified as independent contractors rather than employees (see <https://landline.media/xpo-settles-pair-of-port-driver-lawsuits-for-nearly-30-million/>). XPO's fiscal 2020 10-K acknowledges numerous lawsuits over misclassification issues that could involve thousands of claimants and significant potential damages and litigation costs.

Whatever else XPO's DEI program aims to achieve, ending wage theft from vulnerable populations of XPO's workforce is surely central. Management's seeming disregard to the plight of misclassified drivers – despite numerous legal and regulatory actions—demands a third-party undertake a root-and-branch civil rights audit.

Negative Impacts of Facility Adjacent to Communities of Color

Kinder Morgan, Inc

WHEREAS: Kinder Morgan has scored in the bottom ten (491 out of 500) of the S&P500 on a recent Racial Justice Scorecard due to our Company's inaction on Racial Justice. The low score is partially due to a poor track record on environmental racism and climate justice. Emissions from multiple Kinder Morgan North American facilities have negatively impacted underrepresented adjacent communities, causing public health concerns and poor brand association. Specific community cases include toxic emissions from a facility located in the Dutchtown neighborhood of St. Louis.

Numerous studies describe how Black, Indigenous, people of color (BIPOC) communities are disproportionately exposed to public health risks, environmental racism, and climate injustice:

- Environmental injustice contributes to disparities in health status across populations of different ethnic, racial, and socioeconomic backgrounds, such as differences in the incidence and prevalence of asthma, obesity, diabetes, lung cancer, and a range of mental health and developmental problems.
- African-Americans are 75% more likely than others to live near facilities that produce hazardous waste.
- A 2016 study in Environment International found that long-term exposure to pollution is associated with racial segregation, with more highly segregated areas suffering higher levels of exposure.

Local communities negatively impacted by emissions from Kinder Morgan facilities, have, for many years asked that the Company:

- Monitor air quality and publicly release emissions levels recorded near community centers, schools, churches, and healthcare centers.
- Hold accessible community meetings, engagement, and outreach programs for public comment to allow concerns of community members to be heard.
- Publicly release a diversity, equity, and inclusion statement that details the steps Kinder Morgan will take to become more environmentally responsible and racially just.

Given heightened awareness around environmental racism and climate injustice, failing to meet community requests for transparency, disclosure, and engagement raises the material risk of litigation and reduced brand value while directly contradicting public health safety concerns.

BE IT RESOLVED: Shareholders request that Kinder Morgan, at reasonable expense and excluding proprietary information, issue a public report quantifying emissions released from its facilities that impact local communities and describe how the company intends to address and reduce such community impacts from its operations.

SUPPORTING STATEMENT: Investors seek quantitative, comparable data to understand whether the Company is promoting a commitment to racial and environmental justice. Proponents suggest the report include:

- Site specific emission monitoring activities, facility-based emissions data, and any proposed operational mitigations to reduce community impacts
- A description of work with local community groups to implement a system for rapid public alerts immediately after an emission release
- A description of engagement with local communities near facilities
- Potential policies to promote racial, environmental, and climate justice within its operations

Environmental Justice Audit

Republic Services

WHEREAS: The disproportionate placement of high-polluting facilities in communities of color in the United States has been documented for decades and is linked to higher rates of chronic health problems, disease, and mortality, including from COVID-19,¹ among minorities. While many companies have committed to supporting racial equity, few have taken action to address disparate impacts of their operations in pursuit of environmental justice.

One of the earliest studies documenting the correlation between race and exposure to pollution, published in 1983,² found that 83 percent of privately-operated landfills in Houston, Texas were in predominantly Black neighborhoods despite Black people comprising 27 percent of the city's population. The company that operated these landfills was ultimately acquired by Republic Services, and at least one landfill is still operational, tying the company directly to environmental injustice. A 2021 study³ found that communities of color across the country continue to be exposed to disproportionately high levels of air pollution, the largest environmental cause of mortality.

Lawmakers have responded. In 2020, New Jersey enacted a landmark environmental justice bill that requires impacts on overburdened communities to be a deciding factor in major industrial permitting decisions, including for landfills, transfer stations, and recycling facilities. Republic Services operates in New Jersey and in seventeen other states with existing or pending environmental justice legislation. Moreover, the current administration has made environmental justice a priority through its Justice40 plan.

Republic Services has publicly committed to social justice, further stating that environmental justice is a priority for the company. However, the company has not disclosed its assessment of whether and where disparate impacts from its operations may exist, nor whether and how it has acted to mitigate these impacts. In contrast, competitor Waste Management has published comprehensive environmental justice data and formalized oversight of the topic.

Shareholders are concerned that continued inaction could not only perpetuate racial injustice but could pose substantial regulatory, competitive, and reputational risk to the company, affecting its ability to win and retain contracts and uphold strong relationships with the communities in which it operates.

RESOLVED: Shareholders urge the board of directors to commission a third-party environmental justice audit (within reasonable time and cost) which assesses the heightened racial impacts of Republic Services' operations and produces recommendations for improving them above and beyond legal and regulatory matters. Input from stakeholders, including civil rights organizations and affected community members, should be considered in determining the specific matters for assessment. A report on the audit, prepared at reasonable cost and omitting proprietary information, should be published on the company's website.

SUPPORTING STATEMENT: Proponents suggest that the audit and resulting report:

- Utilize the Environmental Protection Agency's environmental justice screening and mapping tool to gather facility-level environmental and demographic data (EJSCREEN); and
- Assess the company's ongoing, historical, and cumulative pollution impacts and the extent to which this pollution may have disproportionately affected the health of communities of color.

1. <https://iopscience.iop.org/article/10.1088/1748-9326/abaf86>

2. <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1475-682X.1983.tb00037.x>

3. <https://advances.sciencemag.org/content/7/18/eabf4491>

Underwriting Police Insurance

Travelers Companies, Inc.

Racist Police Brutality

WHEREAS: Thousands of police misconduct lawsuits are filed annually—costing taxpayers over 300 million dollars in 2019. The murders of George Floyd, Ahmaud Arbery, and Black Americans at the hands of police have strengthened the Black Lives Matter movement and calls for police reform.

A Boston University research study found a strong relationship between fatal police shootings and structural racism, that is, discrimination arising from institutional systems. How law enforcement liability insurance policies may contribute to structural racism and perpetuate misconduct is under question. Insurance policyholder attorney Alexander Brown notes:

What I see now with the Black Lives Matter is that there's going to be a whole lot of investigation into whether various municipalities or police entities have policies or practices that discriminate against African-Americans.

John Rappaport, University of Chicago Law School, points out how insurance policies could decrease police accountability:

If insurance companies are not doing a good job at trying to manage the risk, they could actually be making things worse. This is the idea of moral hazard, right? When you get insurance coverage, you drive a little bit less carefully.

Rappaport notes insurance companies can exert pressure on police departments to reduce use of force that may result in large settlements or court-ordered damages the insurance company must then pay out. Through lower premiums and deductibles, private insurance can encourage departments to engage in better training, better use of force policies, better screening in the hiring process, and even the firing of bad cops. Northeastern Law paper *Policing the Police* affirms that tying premium reductions to specific trainings and programs can incentivize individual officers to engage in trainings that lower risk. The United States Commission on Civil Rights' report *Police Use of Force: An Examination of Modern Policing Policies* magnified these opportunities:

While private insurance is no panacea, especially since many large cities are self-insured and therefore lack the external pressure for reform, insurance companies may nonetheless play an important role in increasing police accountability. (Washington Post)

Travelers, the second-largest writer of US commercial property-casualty insurance, provides law enforcement liability insurance, including coverage for violation[s] of civil rights under any federal, state, or local law and defense for claims or suits alleging criminal, malicious, dishonest, or fraudulent wrongful act until determination or admission of such wrongful act in a legal proceeding. Yet, Travelers does not disclose specific policies or programs to reduce the risk of racist police brutality, such as a risk management specialization or training, education, or audits focused on prevention of racially motivated police abuses and brutality.

RESOLVED: Shareholders request Travelers report on current company policies and practices, and options for changes to such policies, to help ensure its insurance offerings reduce and do not increase the potential for racist police brutality, nor associate our brand with police violations of civil rights and liberties. The report should assess related reputational, competitive, operational, and financial risks, and be prepared at reasonable cost, omitting proprietary, privileged or prejudicial information.

Disclose Plans and Policies Aligned with Achieving Racial Equality

Dollar General Corporation

WHEREAS: In the wake of the George Floyd murder by police officers on May 25, 2020, a majority of Russell 1000 corporations made public statements expressing their plans to address racial justice, thereby taking the first step to becoming antiracist organizations. Antiracism is the practice of identifying, challenging, and changing the values, structures, and behaviors perpetuating systemic racism. While Dollar General, Inc. released a statement, it did not specifically address racial injustices inside or outside of the Company.

Dollar General scored a 2% on a recent Racial Justice Scorecard. This score is significantly below peers Walmart and Dollar Tree which scored 37% and 12%, respectively. Dollar General's low score is due to a weak statement on racial justice; lack of publicly accessible diversity, equity, and inclusion targets; and lack of disclosed data concerning recruitment, retention, and promotion rates of people of color within the Company. Given heightened awareness around racism, failing to act, disclose policies, and provide quantifiable data on success of such policies, raises the material risk of revenue loss and reduced brand value.

A McKinsey study cites to material corporate benefits associated with adopting corporate policies promoting racial justice:

- Companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians for earnings before interest and tax
- Companies with the most ethnically/ culturally diverse boards worldwide are 43% more likely to earn higher profits
- For every 10% increase in racial and ethnic diversity among senior executives, EBIT rises 0.8.

However, inequities in the workplace continue:

- People of Color comprise 33% of entry level positions, but 13% of the C-suite
- Among the Russell 3000, in 2019 Black individuals accounted for only 4.1% of board members versus 13.4% of the U.S. population.

Dollar General can play a critical role in ending systemic racism by promoting racial justice within its firm.

BE IT RESOLVED: Shareholders request that Dollar General publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan to promote racial justice.

SUPPORTING STATEMENT: Investors seek quantitative, comparable data to understand if and how the Company is promoting a commitment to Racial Justice. Proponents suggest the report include:

- Potential policies the company could adopt to promote Racial Justice in its corporate workplaces and operations
- Detailed quantitative information on diversity, equity, and inclusion, including annual recruitment, retention, and promotion data
- Any plans to address key performance indicators on the above referenced Racial Justice scorecard

Disclose Plans and Policies Aligned with Achieving Racial Equality

Charles Schwab Corporation (The)

Similar resolutions were submitted to Eversource Energy, Martin Marietta, and NiSource Inc.

WHEREAS: Following George Floyd's murder by police officers on May 25, 2020, a majority of Russell 1000 corporations made public statements expressing their plans to address racial justice, thereby taking the first step to becoming antiracist organizations. Antiracism is the practice of identifying, challenging, and changing the values, structures, and behaviors perpetuating systemic racism. While Charles Schwab, Inc. released a statement, it did not meet many of the key terms referenced in a recent Racial Justice Scorecard.

A McKinsey study cites material corporate benefits associated with corporate policies promoting racial justice:

- Companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians for earnings before interest and tax
- Companies with the most ethnically/ culturally diverse boards are 43% more likely to earn higher profits
- For every 10% increase in racial and ethnic diversity among senior executives, EBIT rises 0.8.

In contrast, failure to adopt inclusion practices translates into a loss of customers and reduces profitability.

Yet, inequities in the workplace continue:

- People of Color comprise 33% of entry level positions, but 13% of the C-suite
- Among the Russell 3000, in 2019 Black individuals accounted for 4.1% of board members versus 13.4% of the U.S. population.

Schwab is falling behind peers in its racial justice policies. Schwab earned a score of only 9 percent on a recent Racial Justice Scorecard. Schwab's 9% score ranks significantly below that of Bank of America and U.S Bancorp which scored 22% and 39%, respectively. Schwab's low score is due to a weak initial racial justice statement; lack of publicly accessible diversity, equity, and inclusion targets; and lack of disclosed data concerning recruitment, retention, and promotion rates of people of color within the Company.

Given heightened awareness around racism, failing to act on racial justice and disclose related policies and quantifiable data raises the material risk of revenue loss and reduced brand value. Schwab can reduce this risk and begin playing a critical role in ending systemic racism by promoting racial justice within our firm.

BE IT RESOLVED: Shareholders request that Schwab publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan to promote racial justice, if any.

SUPPORTING STATEMENT: Investors seek quantitative, comparable data to understand if and how the Company is promoting a commitment to Racial Justice. Proponents suggest the report include:

- Policies the company could adopt to promote Racial Justice in its corporate workplaces and operations
- Detailed quantitative information on diversity, equity, and inclusion, including recruitment, retention, and promotion rates and policies for people of color within the Company
- Any plans to improve scores on key performance indicators on the above referenced Racial Justice scorecard

Disclose Plans and Policies Aligned with Achieving Racial Equality

Entergy Corp

WHEREAS: Following George Floyd murder by police officers on May 25, 2020 a majority of Russell 1000 corporations made public statements expressing their plans to address racial justice, thereby taking the first step to becoming antiracist organizations. Antiracism is the practice of identifying, challenging, and changing the values, structures, and behaviors perpetuating systemic racism. Entergy Corp. (Company) did not release a statement, and shareholders have not seen material progress on racial equity. The Company may risk removal from Impact Shares' NACP ETF, due to its low score on As You Sow's Racial Justice Scorecard.

Entergy scored a -2% on a recent Racial Justice Scorecard. This score is significantly below peers Southern Co. and FirstEnergy which scored 18% and 17%. Entergy's low score is due to the absence of racial justice statement, lack of publicly accessible diversity, equity, and inclusion targets, and disclosed data concerning recruitment, retention, and promotion rates of people of color within the Company. Given heightened awareness around racism, failing to act and disclose policies and quantifiable data raises the material risk of revenue loss and reduced brand value.

A McKinsey study cites material corporate benefits associated with adopting corporate policies promoting racial justice:

- Companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians for earnings before interest and tax
- Companies with the most ethnically/culturally diverse boards worldwide are 43% more likely to experience higher profits
- For every 10% increase in racial and ethnic diversity among senior executives, EBIT rises 0.8%

However, inequities in the workplace continue:

- People of Color comprise 33% of entry level positions, but only 13% of the C-suite
- Among companies in the Russell 3000, in 2019 Black individuals accounted for only 4.1% of board members versus 13.4% of the U.S. population

Entergy can play a critical role in ending systemic racism by promoting racial justice.

BE IT RESOLVED: Shareholders request that Entergy publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan to promote racial justice.

SUPPORTING STATEMENT: Investors seek quantitative, comparable data to understand if and how the Company is promoting a commitment to Racial Justice. Proponents suggest the report include:

- Potential policies the company could adopt to promote Racial Justice in its corporate workplaces and operations
- Detailed quantitative information on diversity, equity, and inclusion; including detailed recruitment, retention, and promotion rates, policies, and outcomes
- Plans to specifically address key performance indicators on the above referenced Racial Justice scorecard

Report on Whether Company Policies Reinforce Racism in Company Culture

Intel Corporation

WHEREAS: Structural racism is the overarching system of racial bias across institutions and society. These systems give privileges to white people resulting in disadvantages to people of color, thereby imposing a cultural hierarchy among racial groups;

The Harvard Business Review explains that [c]ompanies must confront racism at a systemic level – addressing everything from the structural and social mechanics of their own organizations to the role they place in the economy at large;

A 2020 Citigroup study found that since 2000 the U.S. gross domestic product (GDP) has lost \$16 trillion as a result of discrimination against African Americans and that reversing discriminatory practices could boost U.S. GDP by \$5 trillion in the next five years;

Tema Okun, a veteran racial justice facilitator, illustrates the insidious nature of white supremacist culture by explaining that [c]ulture is powerful precisely because it is so present and at the same time so very difficult to name or identify. Cultural racism can manifest as people of color being ignored, overly criticized, undermined, or assumed as inferior; strict cultural norms or criticisms of physical appearances or manners of speech. Cultural racism can cause long-term psychological damage;

While Intel's CSR Report indicates that over the past decade, we have taken actions to deeply integrate diversity and inclusion expectations into our culture... the Proponent notes that only 5% of the company's U.S. workforce is African American and 10.5% are Hispanic/Latinx, despite making up over 12% and 18% of the country's population, respectively;

Concerningly, underrepresented minorities (URMs) are further underrepresented in senior leadership. While URMs make up 16% of the company workforce, only 7.6% of leadership roles are held by employees in these groups;

While the company has set goals related to representation in senior leadership, it has not reported if or how it intends to address corporate culture issues that may be the root problem. Proponents believe that long-term value creation could be advanced through an analysis of whether and how systemic racism is embedded in company culture, policies, and procedures.

RESOLVED: Shareholders request the Board of Directors oversee an independent third-party audit analyzing whether written policies or unwritten norms at Intel reinforce racism in company culture, and report to shareholders on planned remedies the Board intends to take in response.

SUPPORTING STATEMENT: The report should be prepared within one year, at reasonable cost and excluding proprietary and privileged information. The report is encouraged to assess whether Intel policies or unwritten norms:

- Yield inequitable outcomes for employees based on race and ethnicity in patterns of hiring and retention, promotion, and upward mobility; disciplinary action; determining factors for allocation of stretch assignments; formal or informal sponsorship and mentorship; and employee usage of benefits, aggregated by company role and/or business unit;
- Establish a cultural hierarchy through perceived pressure to code-switch in appearance, demeanor, word choice, or other suppressions of cultural identity.

Report on Whether Company Policies Reinforce Racism in Company Culture

PayPal

WHEREAS: While PayPal's 2020 Global Impact Report indicates continually evolving efforts towards equitable culture, Black and Latinx employees are underrepresented. These groups together comprise 14% of PayPal's U.S. workforce despite making up almost 32% of the U.S. population. People of color appear particularly underrepresented in senior leadership given that only 7% of Leadership – Director+ roles are filled by Black and Latinx leaders. According to the proponent's analysis of PayPal's 2020 EEO-1 Report, white men are overrepresented in top-level management – comprising about one third of second level managers but nearly half of top-level;

These data indicate the need to assess structural racism in corporate culture as a cause of persistent underrepresentation of people of color in the workforce and management;

Structural racism is the overarching system of racial bias across institutions and society. These systems give privileges to white people resulting in disadvantages to people of color.¹ The Harvard Business Review explains that [c]ompanies must confront racism at a systemic level – addressing everything from the structural and social mechanics of their own organizations to the role they place in the economy at large²;

Ibram X. Kendi, author of *How to Be an Antiracist*, explains that every policy in every institution in every community in every nation is producing or sustaining either racial inequity or equity between racial groups and that policies exist in both written and unwritten laws, rules, procedures, processes, regulations, and guidelines that govern people³;

Academic research indicates that corporate culture can include values, norms, conventions, shared beliefs, customs, traditions, symbols, rituals, knowledge, ideology, identities, and shared mental models.⁴ The Proponent believes that long-term value creation could be advanced through analysis of whether and how systemic racism is embedded in written and unwritten company policies, procedures, and norms.

RESOLVED: Shareholders request the Board of Directors oversee an independent third-party audit analyzing whether written policies or unwritten norms at PayPal reinforce racism in company culture, and report to shareholders on planned remedies the Board intends to take in response.

SUPPORTING STATEMENT: The report should be prepared within one year, at reasonable cost and excluding proprietary and privileged information or admissions relevant to pending litigation, and, in the discretion of the board, is encouraged to include assessment of whether PayPal policies or unwritten norms:

- Yield inequitable outcomes for employees based on race or ethnicity, aggregated by company role or business unit, in patterns of hiring and retention, promotion, upward mobility, disciplinary action, allocation of stretch assignments (projects intended to develop employee skills and abilities), formal or informal sponsorship and mentorship, and employee usage of benefits;
- Consider cultural fit rather than capabilities or create prove it again biases (wherein employees of color are forced to prove their capabilities repeatedly);
- Establish a cultural hierarchy through permitting racial microaggressions (behaviors that stereotype or belittle a minority group), create perceived pressure to code-switch (behavioral adjustments used to navigate interracial interactions), or otherwise suppress cultural identity.

1. <https://nmaahc.si.edu/learn/talking-about-race/topics/being-antiracist>

2. <https://hbr.org/2020/06/confronting-racism-at-work-a-reading-list>

3. <https://www.penguin.co.uk/articles/2020/june/ibram-x-kendi-definition-of-antiracist.html>

4. <https://ssrn.com/abstract=3946604>

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

American Express Co.

Similar resolutions were submitted to American International Group, Inc. (AIG), Exelon Corporation, NextEra Energy, and Pfizer, Inc.

BE IT RESOLVED: Shareholders request that American Express Company (American Express) report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The reporting should be done at reasonable expense, exclude proprietary information, and address outcomes, using quantitative metrics for recruitment, retention, and promotion of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to investors' portfolio management and securities' selection process.

WHEREAS: Numerous studies by respected organizations such as The Wall Street Journal, Credit Suisse, Morgan Stanley, and McKinsey have pointed to the material benefits of a diverse workforce.

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and non-White employees experience a broken rung in their careers. For every 100 men who are promoted, only 86 women are promoted. Non-White women are particularly impacted, comprising 17 percent of the entry-level workforce and only 4 percent of executives. Employees with the potential for advancement have a higher retention rate.

Morgan Stanley found that [e]mployee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate. Companies with high employee satisfaction have been linked to annualized outperformance of over two percent.

American Express has stated: To ensure more balanced representation at all levels of the company, American Express has a comprehensive strategy that encompasses recruitment, hiring and promotion practices to attract, develop and retain underrepresented colleagues. However, American Express has been unwilling to share sufficient recruitment, retention, and promotion data to allow investors to determine the effectiveness of its human capital management programs. Between September 2020 and September 2021, the number of S&P 100 companies releasing recruitment rate data by gender, race and ethnicity increased by 234 percent, companies releasing retention rate data increased by 79 percent, and companies releasing promotion rate data increased by 379 percent.

Allstate, BlackRock, Citigroup, Goldman Sachs, JPMorgan Chase, MetLife, Progressive, and State Street, among others, all release more data on the effectiveness of their human capital management programs than American Express does. Visa has committed to release the entirety of the requested data set.

A shareholder resolution with a similar request was voted on by American Express shareholders on May 4, 2021. It received support from 60 percent of investors. As of October, 2021, American Express has not yet increased its reporting of workforce inclusion data.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

United Parcel Service, Inc.

WHEREAS: Numerous studies by respected organizations such as The Wall Street Journal, Credit Suisse, Morgan Stanley, McKinsey, and BCG have pointed to the material benefits of a diverse workforce.

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.

Promotion rates show how well diverse talent is nurtured at a company. Women and non-White employees experience a broken rung in their careers. For every 100 men who are promoted, only 86 women are promoted. Non-White women are particularly impacted, comprising 17 percent of the entry-level workforce and only 4 percent of executives. Employees with the potential for advancement have a higher retention rate.

Morgan Stanley has found that: Employee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate. Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.

The United Parcel Service Inc. (UPS) Board has stated, UPS views diversity, equity, and inclusion as a strategic imperative that enables the company to attract and retain talented employees, foster innovation to enhance customer service, and bring strength and stability to businesses and communities.

However, UPS has released only retention and recruitment rates by gender. It has not shared sufficient recruitment, retention, or promotion data by race and ethnicity to allow investors to determine the effectiveness of its human capital management programs.

Between September 2020 and September 2021, the number of S&P 100 companies releasing recruitment rate data by gender, race and ethnicity increased by 234 percent, companies releasing retention rate data increased by 79 percent, and companies releasing promotion rate data increased by 379 percent.

AlaskaAir Group, Boeing, Norfolk Southern Corp., and Uber all release more inclusion-focused data than UPS does. UPS is increasingly a laggard in its decision to continue to withhold these data sets. UPS' Investors may wish to be particularly vigilant in their assessment of diversity programs at UPS, as the company has faced a number of allegations of discrimination on the basis of race and religion.

BE IT RESOLVED: Shareholders request that UPS report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The reporting should be done at reasonable expense, exclude proprietary information, and address outcomes using quantitative metrics for recruitment, retention, and promotion of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to investors' portfolio management and securities' selection process.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Union Pacific Corporation

WHEREAS: Numerous studies by respected organizations such as The Wall Street Journal, Credit Suisse, Morgan Stanley, McKinsey, PwC and BCG have pointed to the material benefits of a diverse workforce.

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive, an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and non-White employees experience a broken rung in their careers. For every 100 men who are promoted, only 86 women are promoted. Non-White women are particularly impacted, comprising 17 percent of the entry-level workforce and only 4 percent of executives. Employees with the potential for advancement have a higher retention rate.

Morgan Stanley has found that: Employee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate. Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.

Union Pacific has stated From an employee's perspective, a diverse culture increases engagement, improves morale and supports safety. From a business perspective, diversity improves the company's decision making, problem solving, and strategic thinking, which translates into a competitive advantage with bottom-line results. However, Union Pacific has not shared recruitment, retention, and promotion data by gender, race, or ethnicity. Its reporting is insufficient for investors to determine the effectiveness of its human capital management programs.

Between September 2020 and September 2021, the number of S&P 100 companies releasing recruitment rate data by gender, race and ethnicity increased by 234 percent, companies releasing retention rate data increased by 79 percent, and companies releasing promotion rate data increased by 379 percent.

Direct competitor Norfolk Southern shares recruitment and retention data by gender, race and ethnicity and Boeing, FedEx, General Motors, Johnson Controls, along with many others, release more data on the effectiveness of their human capital management programs than Union Pacific does. Union Pacific is increasingly a laggard in its decision to continue to withhold these data sets.

BE IT RESOLVED: Shareholders request that Union Pacific Corp. (Union Pacific) report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The reporting should be done at reasonable expense, exclude proprietary information, and address outcomes using quantitative metrics for recruitment, retention, and promotion of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to investors' portfolio management and securities' selection process.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Berkshire Hathaway Inc.

WHEREAS: In neither the purchase of goods nor the hiring of personnel, do we ever consider the religious views, the gender, the race or the sexual orientation of the persons we are dealing with. It would not only be wrong to do so, it would be idiotic. We need all of the talent we can find, and we have learned that able and trustworthy managers, employees and suppliers come from a very wide spectrum of humanity.

—Warren E. Buffett, February 28, 2002

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive, an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and non-White employees experience a broken rung in their careers. For every 100 men who are promoted, only 86 women are promoted. Non-White women are particularly impacted, comprising 17 percent of the entry-level workforce and only 4 percent of executives.

Morgan Stanley has found that: Employee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate. Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.

Berkshire Hathaway Inc. (Berkshire Hathaway) has not yet committed to release standardized workforce composition data, at any level of its businesses. Nor has it released sufficient recruitment, retention, and promotion data to allow investors to determine the effectiveness of Berkshire Hathaway's companies' human capital management programs.

Eighty-one percent of the S&P100 have released, or have committed to release, their EEO-1 forms, best practice in workforce composition reporting. The number of S&P100 companies releasing this form increased 239 percent between September 2020 and September 2021. The number of S&P100 companies releasing recruitment rate data by gender, race, and ethnicity increased by 234 percent; companies releasing retention rate data increased by 79 percent, and companies releasing promotion rate data increased by 379 percent. Berkshire Hathaway is an outlier in its decision to withhold these data sets.

BE IT RESOLVED: Shareholders request that Berkshire Hathaway or its holding companies report to shareholders on the outcomes of their diversity, equity, and inclusion efforts by publishing quantitative data on workforce composition, and recruitment, retention, and promotion rates of employees by gender, race, and ethnicity. The reporting should be done at reasonable expense and exclude proprietary information.

SUPPORTING STATEMENT: Quantitative data is sought so investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to investors' portfolio management and securities' selection process.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Charter Communications, Inc.

A similar resolution was submitted to PayPal.

WHEREAS: Numerous studies by respected organizations such as The Wall Street Journal, Credit Suisse, Morgan Stanley, McKinsey, PwC and BCG have pointed to the material benefits of a diverse workforce.

Yet, Black and Latino applicants face recruitment challenges. Results of a meta-analysis of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and non-White employees experience a broken rung in their careers. For every 100 men who are promoted, only 86 women are promoted. Non-White women are particularly impacted, comprising 17 percent of the entry-level workforce and only 4 percent of executives. Employees with the potential for advancement have a higher retention rate.

Morgan Stanley has found that [e]mployee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate. Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.

Charter Communications, Inc. (Spectrum) has not yet committed to release standardized workforce composition data through its consolidated EEO-1 form, which is best practice in diversity data reporting, nor has it shared sufficient recruitment, retention and promotion data to allow investors to determine the effectiveness of its human capital management programs.

Eighty-one percent of the S&P100 have released, or have committed to release, their EEO-1 forms. The number of S&P100 companies releasing this form increased 239 percent between September 2020 and September 2021. The number of S&P100 companies releasing recruitment rate data by gender, race and ethnicity increased by 234 percent; companies releasing retention rate data increased by 79 percent; and companies releasing promotion rate data increased by 379 percent. Spectrum is increasingly a laggard in its decision to continue to withhold these data sets.

In 2021, 41 percent of investors voted in support of a resolution with a similar data disclosure request. Spectrum's investors have reasons to be particularly concerned about its diversity-related programs; the company has faced discrimination allegations related to discrimination on the basis of gender, sexual orientation, race, and age.

BE IT RESOLVED: Shareholders request that Spectrum report to shareholders on the outcomes of the Company's diversity, equity, and inclusion efforts by publishing quantitative data on workforce composition, and recruitment, retention, and promotion rates of employees by gender, race, and ethnicity. The reporting should be done at reasonable expense and exclude proprietary information.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to their portfolio management and securities' selection process.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Hasbro, Inc.

Similar resolutions were submitted to Activision Blizzard, Inc., Charles Schwab, Chipotle Mexican Grill, Danaher Corp., Lululemon Athletica Inc, Netflix, Inc., Ross Stores, Inc., Salesforce.com, Inc. and Visa.

BE IT RESOLVED: Shareholders request that Hasbro, Inc. (Hasbro) report to shareholders on the outcomes of the Company's diversity, equity, and inclusion efforts by publishing quantitative data on workforce composition, and recruitment, retention, and promotion rates of employees by gender, race, and ethnicity. The reporting should be done at reasonable expense and exclude proprietary information.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to investors' portfolio management and securities' selection process.

WHEREAS: Numerous studies by respected organizations such as The Wall Street Journal, Credit Suisse, Morgan Stanley, McKinsey, PwC and BCG have pointed to the material benefits of a diverse workforce.

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and non-White employees experience a broken rung in their careers. For every 100 men who are promoted, only 86 women are. Non-White women are particularly impacted, comprising 17 percent of the entry-level workforce and only 4 percent of executives.

Morgan Stanley has found that: Employee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate. Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.

Hasbro has stated [W]e believe that rich, varied perspectives generate the best ideas, which in turn help us reflect diversity, inclusion and belonging across our brands and play experiences. However, Hasbro has not yet committed to release standardized workforce composition data through its consolidated EEO-1 form, which is best practice in diversity data reporting, nor has it shared sufficient recruitment, retention, and promotion data to allow investors to determine the effectiveness of its human capital management programs.

Eighty-one percent of the S&P 100 have released, or have committed to release, their EEO-1 forms. The number of S&P 100 companies releasing this form increased 239 percent between September 2020 and September 2021. The number of S&P 100 companies releasing recruitment rate data by gender, race and ethnicity increased by 234 percent; companies releasing retention rate data increased by 79 percent, and companies releasing promotion rate data increased by 379 percent. Hasbro is increasingly a laggard in its decision to continue to withhold these data sets.

Hasbro needs to provide clear, quantitative data on workforce composition, promotion, and retention rates so that investors are able to compare Hasbro's diversity programs to those of its peers.

Report on Steps Taken to Foster Greater Racial Equity on the Board

Home Depot, Inc.

A similar resolution was submitted to Badger Meter Inc.

WHEREAS: In the U.S., the lack of diversity on corporate boards of directors has become a significant concern for investors and companies. Though a focus on racial equity was fueled by country-wide racial justice protests in 2020, progress on boardroom diversity for both racial/ethnic and gender diversity remain slow;

The Proponent engaged The Home Depot (the Company) on board diversity concerns and the potential negative effect on long-term share value in 2015. We were pleased when that engagement resulted in an agreement with the Company to enhance its Policy on the Consideration and Evaluation of Board Candidates to encourage greater diversity. While this is an important step forward, the Company acknowledges that, 6 years later, only 25% of the board self-identifies as diverse by race or ethnicity and only 25% identify as gender diverse. To the Proponent's knowledge, the Company has not set in place concrete plans to achieve greater board diversity;

These figures stand in contrast to the Company's stated workforce diversity of almost 50% diverse and 38% female employees, or The Home Depot's customer base which studies report is 45-50% women;

Research has shown that diverse teams are beneficial in many ways, including a higher likelihood to radically innovate and anticipate shifts in consumer needs and consumption patterns—helping their companies to gain a competitive edge¹ and likeliness to outperform industry peers on profitability over time. Importantly, it has also been found that the level of diversity matters, with a 48% performance differential between most and least diverse companies;²

The Proponent believes that committing to concrete, actionable steps to further diversify the board of directors would serve the long-term value of shareholders and the company.

RESOLVED: Shareholders request that the Board of Directors report to shareholders within six months after the Company's annual meeting, at reasonable expense excluding confidential information, with action steps to foster greater racial and gender equity on the board.

SUPPORTING STATEMENT: The Proponent suggests that among the strategies the Company could explore include, at board and management discretion, are: engaging a search firm for each board search, setting board diversity goals and timelines, requiring at least two candidates of color and two gender diverse candidates in each candidate pool, examining the potential limits to increases in diversity from using current board member networks for recruitment, and other strategies that balance candidate qualifications and diversity. In defining racial equity and gender equity, the Proponent suggests the Company use comparative statistics on either the general U.S. population diversity, company workforce diversity, or, particularly for racial diversity, other logical comparison such as the Company's headquartering city, Atlanta, GA.

¹ McKinsey & Company, Women in the Workplace 2019

² McKinsey & Company, Diversity Wins 2020

Racial and Gender Board Diversity Report

CorVel Corporation

A similar resolution was submitted to Cactus, Inc.

WHEREAS: CorVel Corporation has just one woman on its Board of Directors and racial and ethnic diversity is not disclosed.

We believe that diversity among directors, inclusive of race, ethnicity, and gender, 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, affirms diversity enhances long-term shareholder value and states: Boards should develop a framework for identifying appropriately diverse candidates, which asks the nominating/corporate governance committee to consider women and/or minority candidates for each open board seat.¹ Board and management diversity benefits include larger candidate pools from which to pick top talent, better understanding of consumer preferences, a stronger mix of leadership skills, and improved risk management.

Numerous institutional investors have adopted proxy voting guidelines reflecting their belief that board and management diversity are indicators of good corporate governance. Asset managers, including the world's largest—BlackRock, Fidelity Investments, State Street Global Advisors, and Vanguard—increasingly vote against directors and support shareholder proposals on board diversity at companies deemed to be making insufficient progress. State and city pension plans nationwide have adopted proxy voting policies with minimum thresholds for board diversity. According to Sustainable Investments Institute, three of the four board diversity resolutions that went to a vote in the proxy season ending June 2021 garnered majority support.

U.S. regulation and legislation to accelerate progress on board diversity is on the rise. In August 2021, the Securities and Exchange Commission approved Nasdaq's proposed board diversity rule requiring listed companies to meet diversity thresholds or explain their failure to do so, as well as to disclose diversity statistics. California and Washington have passed legislation mandating minimum board diversity thresholds and others may follow including Hawaii, Illinois, Massachusetts, Michigan, and New Jersey. Federal legislation has been introduced to require disclosure of the gender, racial, and ethnic composition of boards of directors and executive officers (H.R. 1277), and numerous states are enacting or proposing legislation and resolutions mandating similar disclosure.

Despite recent progress, women and people of color remain significantly underrepresented on U.S. corporate boards. Women and people of color account for 26.5% and 17.5% of the directorships in the Fortune 500, respectively,² relative to 48% and 41% of private industry jobs.³

RESOLVED: Shareholders request the Board of Directors prepare a report by January 2023, at reasonable expense and omitting proprietary information, on steps CorVel Corporation is taking to enhance board diversity, such as:

- Embedding in governance documents a commitment to diversity inclusive of gender, race, and ethnicity;
- Committing publicly to include women and people of color in each candidate pool for board and senior leadership seats;
- Disclosing in annual proxy statements the gender, racial, and ethnic composition of the board; and
- Detailing board strategies to reflect the diversity of the company's workforce, community, and customers.

1. <https://www.businessroundtable.org/policy-perspectives/corporate-govern...>

2. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/center-for-...-edition.pdf>

3. <https://www.eeoc.gov/statistics/employment/jobpatterns/eeo1>

Racial and Gender Board Diversity Report

Alphabet, Inc.

A similar resolution was submitted to Wells Fargo & Company.

WHEREAS: Our nation's racial reckoning and coronavirus's illumination of vast social inequities has led companies to reevaluate their diversity, equity, and inclusion policies and goals. Board diversity is one important facet, as investors and companies recognize it can be accretive to long term value creation. Board diversity requirements, including Nasdaq's 2021 ruling and California's 2018 legislation, acknowledge the value of racial and gender diverse boards.

Research indicates board diversity is an important lever to increase shareholder value, resulting in higher revenues, higher Return on Assets, a more diverse workforce, enhanced corporate governance, and improved stakeholder relations.

- Boston Consulting Group finds companies with greater board diversity had 19 percent higher revenues than competitors.
- International Monetary Fund finds substituting one man for one woman on a board is associated with higher Return on Assets.
- Credit Suisse finds as the percentage of women on the board increases, so does the percentage of women in leadership. The University of Toronto finds companies with greater board diversity are less prone to accounting mistakes, business controversies, and poor investment decisions.
- Harvard Law research finds companies may be better positioned to recognize and respond to the interests of diverse stakeholders.

In response to this research, 61 percent of investors believe boards should aim to reflect the company's customer base and the broader societies in which they operate by including directors drawn from racial and ethnic minority groups (Institutional Shareholder Services). Alphabet's 2022 Proxy statement acknowledges the importance of a diverse board stating, "...we have worked hard to...ensure diversity of backgrounds and perspectives within the boardroom.

Yet, Alphabet's board diversity is largely disproportionate from its customer base. The Board of Directors is comprised of 27 percent women and 18 percent underrepresented minorities, defined as Black and Latinx employees by National Science Board. The demographic makeup of the United States, used here as a proxy for its customer base, is comprised of 51 percent women and 32 percent underrepresented minorities.

We believe that a Board of Directors with racial and gender composition reflective of Alphabet's customer base will more astutely minimize business risk, maximize opportunity, and increase shareholder value.

RESOLVED: Shareholders request that Alphabet report annually on its policies and practices to help ensure its elected Board of Directors attains racial and gender representation that is better aligned with the demographics of its customers and/or regions in which it operates.

The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Supporting Statement: A report adequate for investors could, with board discretion, include disclosure of:

- Board targets aligned with customer demographics (for example, using company's country/state headquarter demographics as a proxy),
- Progress/challenges meeting racial and/or gender board diversity targets,
- Strategies or practices deployed to increase diversity of board candidates.

Racial and Gender Board Diversity Report

Veeva Systems, Inc.

Similar resolutions were submitted to 3D Systems Corporation and Proto Labs Inc.

RESOLVED: Shareholders of Veeva Systems Inc (the Company) request that our Board of Directors (the Board) disclose in its annual proxy statement each director/nominee's self-identified gender and race/ethnicity, as well as the skills and attributes that are most relevant to the Company's overall business, long-term strategy, and risks. The requested information shall be presented in matrix format and shall not include any attributes the Board identifies as minimum qualifications for all director candidates (the Board Matrix).

SUPPORTING STATEMENT: Diversity, inclusive of gender and race, are critical attributes of a well- functioning executive team and is necessary to meaningfully drive diversity throughout an organization. Our executive management team has only one woman on the Board and an undeterminable number of people of color.

This team sets the tone from the top. Disclosure of a Board Matrix would signal to employees, customers, suppliers, and investors that directors themselves are practicing diversity and inclusion at the Board level.

When investors prioritize board diversity in their proxy voting guidelines and engagement initiatives (such as Vanguard,¹ BlackRock,² and State Street³), significant time and resources must be spent attempting to ascertain information from ambiguous and aggregate company disclosures or relying on data providers, which draw from the same imprecise sources. Even with photographs provided, investors and data providers may be unable to determine the race or ethnicity of directors appropriately. Hence, it can be unnecessarily challenging for investors to fulfill their fiduciary duties and vote according to their proxy voting guidelines.

The business case for workforce diversity is compelling. For example, McKinsey & Company found in 2015, 2017, and again in 2019 that companies with highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity.⁴

A Board Matrix would enable investors to make better-informed proxy voting decisions by providing consistent, comparable, and accurate data concerning our directors in a structured and decision-useful format. Such information would enable investors to:

- (1) assess how well-suited individual director nominees are in light of our long-term business strategy and risks, including the overall mix of director attributes and skills;
- (2) identify any gaps in skills or attributes; and
- (3) make meaningful, year-over-year comparisons of the Board's composition; and
- (4) ascertain the self-identified gender, race/ethnicity, skills and attributes of any particular director who has assumed leadership roles on the board/committees, as well as his/her/their tenure.

Other leading companies, such as Intel, 3M, Home Depot, and Wells Fargo, have published a Board Matrix with individualized director data in a decision-useful format. Their matrices also use EEO-1 categories to disclose individual directors' diversity, which allows for consistent and comparable data.

1. https://about.vanguard.com/investment-stewardship/perspectives-and-commentary/ISBOARD_122020.pdf

2. <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engaging-on-diversity.pdf>

3. <https://www.ssga.com/library-content/pdfs/ic/proxy-voting-and-engagement-guidelines-us-canada.pdf>

4. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

Set Diversity Targets

Intercontinental Exchange

The business case for workforce diversity is compelling. McKinsey & Company's ongoing studies find that highly diverse executive teams have higher returns on equity and earnings performance than those with low diversity. Companies in the top quartile for gender diversity on executive teams were 25 percent more likely to have industry-leading profitability. Companies in the top quartile for ethnic/cultural diversity were 36 percent more likely to have industry-leading profitability.¹ A key finding is that ethnicity is consistently linked to higher outperformance than gender is.

Leaders believe that finding diverse talent is the biggest challenge in changing workforce demographics. However, recruitment is the beginning of the problem. Diversity is more difficult to find in upper ranks because of the day-to-day obstacles people of color face related to organizational and cultural issues, retention, and promotion.² People of color represented about 40 percent of the entry-level workforce in the financial services industry in 2018. However, this number steadily declines by 75 percent to the C-suite, ending at 10 percent. The most pronounced attrition rates for people of color occur early in the pipeline and promotion rates for people of color lag those of white employees at nearly every level.

One way that companies can address the issue is through its recruitment and retention practices, working to provide equity, inclusion, and justice at each step in the career progression. As our society asks more of all of us when it comes to race, a beginning step that a company like ours can take is establishing meaningful targets and programs to create a diverse pipeline and workforce. Salesforce, Estee Lauder, Goldman Sachs, Microsoft, BlackRock are examples of companies that have set quantitative, time-bound diverse representation targets.

Intercontinental Exchange (ICE) reports that the company's workforce should reflect the broader communities within which it operates.³ In the states of New York, Georgia, and California (ICE's biggest workforces), the Black population percentage represents 17.6 percent, 32.6 percent, and 6.5 percent of the population while the Hispanic or Latino population represents 19.3 percent, 9.9 percent, and 39.4 percent.⁴ ICE diversity statistics are incongruent with these states' demographics. Shareholders are increasingly concerned about material human capital management risk to both their companies and their portfolios and seek clearly established targets and goals that promote diverse workforces reflective of the communities in which companies operate.

Resolved: Shareholders request that ICE set public company-wide, quantitative, and time-bound targets to increase the representation of minorities, particularly at the managerial and senior levels of the company.

1. https://www.mckinsey.com/~/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx
2. <https://www.bcg.com/en-us/publications/2019/fixing-the-flawed-approach-to-diversity>
3. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001571949/5ef1e14d-8463-4790-b2cc-262000b178ae.pdf>
4. <https://www.census.gov/quickfacts/NY>, <https://www.census.gov/quickfacts/CA>, <https://www.census.gov/quickfacts/GA>

EEO-1 Disclosure

Charter Communications, Inc.

A similar resolution was submitted to Activision Blizzard, Inc.

WHEREAS: As intangible assets increasingly drive corporate value creation, investors seek a better understanding of human capital management strategy and performance.

A lack of consistent disclosure of human capital practices and data makes it difficult for investors to evaluate corporate performance.

Disclosure of detailed workforce diversity data is one critical component of transparency regarding human capital management. Diverse and inclusive teams are associated with greater employee engagement, increased attraction and retention of talent, and a sense of purpose in the workforce.

Information about the effectiveness a company's diversity investments must be complete, comparable and consistent. Investors need annual disclosure of granular demographic data in order to know whether investments in diversity have paid off through changes in the numbers of people by race and gender at different levels of the company.

Charter Communications is required to furnish EEO-1 data—a comprehensive breakdown of its workforce by race, ethnicity and gender—to the United States government and is therefore in a position to provide a more complete picture of its workforce without additional burdens on the company to collect data. Such disclosure would provide a platform for the company to describe the connection between human capital management and corporate strategy and facilitate informed engagement with investors.

Annual EEO-1 disclosure enables an evaluation of the company's strengths and opportunities for improvement and performance trend, and facilitates comparison across firms. As of October 2021, at least 80 large cap companies have committed to publishing this document, including several peer companies with whom Charter Communications competes for talent.

Yet, Charter Communications does not provide this fundamental information to shareholders. The company provides limited diversity disclosure that is considerably less detailed than the EEO-1 report and does not allow for an informed analysis of equal opportunity at the company.

RESOLVED: Shareholders request that the Board of Directors adopt a policy requiring Charter Communications to disclose annually on its website the Consolidated EEO-1 Report that it is required to submit to the U.S Equal Employment Opportunity Commission (EEOC).

Supporting Statement: Rising expectations of employees and other stakeholders that companies will make a meaningful commitment to racial equity in the workplace have strengthened the longstanding case for prioritizing diversity in the workplace. In particular, companies that signal their commitment to racial diversity through workforce transparency may be better positioned to attract and retain talent.

Underscoring the link between diversity and inclusion and human capital management, research from The Conference Boards' DNA of Engagement initiative argues that the synergy between employee engagement and inclusion is a key component of overall employee productivity and Deloitte highlights diversity as an important element in building and sustaining a strong sense of corporate purpose.^{1,2}

A May 2020 report from McKinsey Diversity Wins: How Inclusion Matters found that companies in the top quartile for gender diversity on executive teams were 25 percent more likely to have above-average profitability than companies in the fourth quartile.

1. <https://conference-board.org/research/dna-of-engagement/executive-summary-how-organizations-can-align-engagement-inclusion>

2. <https://corpgov.law.harvard.edu/2020/09/16/the-workforce-takes-center-stage-the-boards-evolving-role/>

EEO-1 Disclosure

Dollar General Corporation

A similar resolution was submitted to SEI Investments Company.

RESOLVED: Shareholders request that the Board of Directors adopt a policy committing Dollar General Corporation (Dollar General) to disclose its Consolidated EEO-1 Report—a breakdown of the company’s workforce by gender, race, and ethnicity it submits annually to the U.S. Equal Employment Opportunity Commission (EEOC). Dollar General shall annually disclose its EEO-1 Report no later than 60 days after its submission.

SUPPORTING STATEMENT:

Corporate leaders recognize the strong business case for advancing diversity, equity and inclusion (DEI). The extraordinary context of the COVID pandemic together with the ongoing national debate over persistent, unequal treatment of people of color have given rise to countless corporate commitments to improve human capital management. The Business Roundtable, an influential association of chief executives who employ 20 million people, states DEI is a business imperative and advocates for greater transparency on diversity metrics.¹ Numerous studies have found companies with diverse and inclusive workplaces provide a competitive advantage by encouraging varied perspectives that can better anticipate shifts in consumer preferences, reducing costly turnover, and increasing productivity and morale.^{2,3} Such companies are better positioned to recruit the most talented employees from the broadest possible labor pool. Conversely, charges of discrimination can result in costly litigation and reputational damage.

Major institutional investors share our belief that transparency and public accountability are essential components of DEI leadership. The world’s largest asset managers including BlackRock⁴ and State Street Global Advisors⁵ have called on U.S. companies to disclose workforce demographics included in EEO-1 reports. On behalf of the New York City Employee Retirement Systems, New York City’s Comptroller asked 67 companies to make public their EEO-1 reports, and the majority committed to do so.⁶ According to the Sustainable Investments Institute, nearly all 29 shareholder resolutions seeking EEO-1 disclosure were withdrawn, signifying agreements with proponents. Of the three that proceeded to the proxy ballot, two exceeded 80% shareholder support and one garnered 40.7% of the vote.

Mandatory workforce composition disclosure may be on the horizon. In June 2021, SEC Chair Gary Gensler asked SEC staff to recommend human capital disclosures, including workforce demographic data on employee diversity.⁷

Despite some progress, women and people of color remain significantly underrepresented in management positions at U.S. companies. Women hold 39% of officials and managers positions compared to 48% of private industry jobs, as reported to the EEOC. The numbers are proportionately worse for Black and Hispanic employees who comprise 7% and 8% of officials and managers, respectively, though each group accounts for 15% of total employment.⁸

Dollar General lags sector peers in disclosing workforce composition data, diminishing shareholders’ ability to evaluate the effectiveness of its DEI policies and practices. Consumer goods companies that report currently or have committed to disclose EEO-1 data include Walmart⁹ and Costco¹⁰.

Dollar General already reports the data—disclosing the EEO-1 is a cost-effective means to demonstrate DEI leadership while providing investors with credible, decision-useful data.

1. <https://www.businessroundtable.org/policy-perspectives/diversity>
2. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/dive...>
3. <https://www.americanprogress.org/issues/economy/reports/2021/08/23/5022...>
4. <https://www.bloomberg.com/news/articles/2020-12-10/blackrock-plans-to-p...>
5. <https://www.ssga.com/us/en/institutional/etfs/insights/diversity-strate...>
6. <https://comptroller.nyc.gov/newsroom/comptroller-stringer-and-nyc-retir...>
7. <https://www.sec.gov/news/speech/gensler-speech-london-city-week-062321>
8. <https://www.eeoc.gov/statistics/employment/jobpatterns/eeo1>
9. <https://corporate.walmart.com/media-library/document/culture-diversity-...>
10. <https://mobilecontent.costco.com/live/resource/img/static-us-landing-pa...>

Gender and Racial Pay Gap

Amazon.com, Inc

Similar resolutions were submitted to Chipotle Mexican Grill, Inc., Disney (Walt) Company / ABC, Home Depot, Inc. and Lowes.

WHEREAS: Pay inequities persist across race and gender and pose substantial risk to companies and society at large. Black workers' hourly median earnings represent 64 percent of white wages. The median income for women working full time is 83 percent that of men. Intersecting race, Black women earn 63 cents, Native women 60 cents, and Latina women 55 cents. At the current rate, women will not reach pay equity until 2059, Black women until 2130, and Latina women until 2224.

Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional income. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development countries' economies by 2 trillion dollars annually.

Actively managing pay equity is associated with improved representation. Diversity in leadership is linked to improved innovation and financial performance. Minorities represent 68 percent of Amazon's workforce and 29 percent of leadership. Women represent 45 percent of the workforce and 22 percent of leadership.

Best practice pay equity reporting consists of two parts:

unadjusted median pay gaps, assessing equal opportunity to high paying roles, statistically adjusted gaps, assessing whether minorities and non-minorities, men and women, are paid the same for similar roles.

Amazon reports parity for statistically adjusted gaps but ignores unadjusted gaps, which address structural bias women and minorities face regarding job opportunity and pay, particularly when men hold most higher paying jobs. While Amazon reports diversity data, median pay gaps show, quite literally, how Amazon assigns value to employees through the roles they inhabit and pay they receive. Median gap reporting also provides a digestible and comparable data point to determine progress over time.

Racial and gender median pay gaps are accepted as the valid way of measuring pay inequity by the United States Census Bureau, Department of Labor, Organization for Economic Cooperation and Development, and International Labor Organization. The United Kingdom and Ireland mandate disclosure of median gender pay gaps, and the United Kingdom is considering mandating racial pay gap reporting. Amazon discloses data for United Kingdom employees, reporting a median base pay gap of 1.4 percent and median bonus gap of 25.1 percent.

RESOLVED: Shareholders request Amazon report on median pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

SUPPORTING STATEMENT: An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- percentage median gender pay gap, globally and/or by country, where appropriate
- percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

Gender and Racial Pay Gap

Best Buy Co., Inc.

WHEREAS: Pay inequity persists across race and gender.

The 2019 United States (U.S.) Census data on median earnings for full time, year round workers found that women made 82 percent of that of their male counterparts.¹ The gap for African America and Latina women is 63 percent and 57 percent. At this rate, women will not reach pay parity until 2059, African American women until 2130, and Latina women until 2224.²

Morgan Stanley, McKinsey, and Robeco Sam suggest 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.”

Australia, Austria, Belgium, Columbia, Denmark, Finland, France, Germany, Iceland, Spain, Sweden and the United Kingdom mandate gender pay gap reporting in some form, demonstrating that providing such data is feasible and informative.

The U.S. gender pay gap is 18.5 percent placing it fifth largest among 37 ranked countries.³

The U.S. minority pay gap is also significant. In 2021’s third quarter, Black and Hispanic workers had a 23 percent and 24 percent wage gap of what White workers earned.⁴

Assessing if a company has gender or racial pay gaps requires analyzing both equal pay and equal opportunity. This is done using adjusted and unadjusted (median) pay data.

Adjusted equal pay data aims to compare equal pay for equal work, but some corporate reports have omitted key employee groups such as C-suite employees where the highest level of gender and racial pay gaps occur.

Unadjusted median pay gap data—a key metric used by the U.S. Census Bureau, Department of Labor, Organization for Economic Cooperation and Development, among others—addresses the structural bias women and underrepresented minorities face regarding job opportunity and pay, particularly when white men hold most higher paying jobs.

Best Buy touts its diversity and inclusion initiatives, yet its own data shows little to no change in racial or gender diversity among its U.S. employees from 2017 to 2020.⁵ Its stated pay equity goal briefly describes adjusted pay criteria without providing any quantitative adjusted or unadjusted median pay data needed to identify pay gaps.⁶

Leading large cap companies across industry sectors including Apple, Starbucks, Pfizer and Citigroup, have publicly committed to pay equity and published the results of gender and/or racial pay gap assessments.

Investors seek quantitative, comparable data to understand the effectiveness of Best Buy’s pay gap policies.

RESOLVED: Shareholders request that Best Buy publish annually quantitative data assessing its gender and racial pay gap, at reasonable expense and excluding proprietary information. Racial and gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings. A report adequate for investors to assess company performance would include the percentage median gender and racial pay gap, and would include base, bonus and equity compensation.

1. <https://www.census.gov/data/tables/time-series/demo/income-poverty/hist...>

2. https://www.jec.senate.gov/public/_cache/files/0779dc2f-4a4e-4386-b847-...-inequality----us-congress-joint-economic-committee.pdf

3. <https://data.oecd.org/earnwage/gender-wage-gap.htm>

4. <https://www.bls.gov/news.release/pdf/wkyeng.pdf>

5. <https://corporate.bestbuy.com/wp-content/uploads/2020/06/Best-Buy-Fisca...> Page 34

6. https://corporate.bestbuy.com/wp-content/uploads/2021/10/ESG_Report_FY2...

Gender and Racial Pay Gap

CIGNA Corporation

The 2019 U.S. Census data on median earnings for full-time, year-round workers found that women made 82 percent of that of their male counterparts. The gap for African America and Latina women is 63 percent and 57 percent. At the current rate, women will not reach pay parity until 2059.

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.”

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

Cigna states that female employees earn 99.9 cents for every dollar earned by similarly situated male employees. Assertions of 99 percent equal pay are often based on adjusted data that omits key employee groups such as C-suite employees where the highest level of gender and racial pay gaps occur. Cigna provides no details on how the data was adjusted. Cigna also fails to provide any information on unadjusted median pay data.

This is in stark contrast to Cigna’s United Kingdom (UK) operations. Since 2018, the UK has mandated disclosure of both adjusted and unadjusted (median) gender pay data, demonstrating that publication of such data is feasible and informative. Cigna UK provides an annual gender pay report that discloses mean and median gender pay gap and bonus gap and pay quartiles.

In 2021, Cigna UK reported a 29 percent mean and 34.95 percent median gender pay gap.¹ This represents no improvement in the mean pay gap and an increased median pay gap from 26.8 percent in 2019. It also reported a 56.7 percent mean and 41 percent median gender bonus gap in 2021, showing a gap increase from 53.5 percent and 30.6 percent in 2019. The company’s lower pay quartile is comprised of 39.33 percent men and 60.67 percent women, while the higher quartile is almost a complete reversal with 65.92 percent men and 34.08 percent women.

For the fourth consecutive year, shareholders are requesting that our company provide similar quantitative, comparable data to understand the effectiveness of Cigna U.S. pay gap policies. By comparison, shareholders withdrew a similar proposal at Pfizer when it agreed to annually publish adjusted and unadjusted median pay gaps for gender globally and for race in the U.S.

RESOLVED:

Shareholders request that Cigna publish annually, quantitative data assessing Cigna’s gender pay gap, at reasonable expense and excluding proprietary information. A report adequate for investors to assess company performance would include the percentage mean and median pay gap between all male and female employees, across race and ethnicity where appropriate, and would include base, bonus and equity compensation, and pay quartiles.

1. <https://www.cigna.co.uk/assets/docs/news-room/2021-cigna-uk-gender-pay-report.pdf>

Gender and Racial Pay Gap

Apple Computer, Inc.

WHEREAS: Pay inequity persists across race and gender. Black workers' hourly median earnings have fallen 3.6 percent since 2000, representing 75.6 percent of white wages. The median income for women working full time is 82 percent that of men. Intersecting race, Black women make 63 cents, Native women 60 cents, and Latina women 55 cents. At the current rate, women will not reach pay equity until 2059, Black women until 2130, and Latina women until 2224.

Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional income and contributed 0.15 percent to United States GDP annually. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development (OECD) countries' economies by 2 trillion dollars annually.

Actively managing pay equity is associated with improved representation, and diversity is linked to superior stock performance and return on equity. Of note, Black employees represent 9 percent of Apple's workforce, but only 4 percent of leadership. Women only account for 34 percent of Apple's workforce and 31 percent of leadership.

Pay gaps are literally defined as the median pay of minorities compared to non-minorities and the median pay of women compared to men. They are considered the valid way of measuring gender pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization.

Best practice pay equity reporting consists of two parts:

- unadjusted median pay gaps, assessing equal opportunity to high paying roles,
- statistically adjusted gaps, assessing pay between minorities and non-minorities, men and women, performing similar roles.

Apple has committed to statistically adjusted pay equity but ignores unadjusted median gaps, which address the structural bias women and underrepresented minorities face regarding job opportunity and pay.

The Equal Employment and Opportunity Commission now mandates pay data reporting, across race and gender, as workforce diversity data alone is insufficient to assess pay inequity. The United Kingdom mandates disclosure of median gender pay gaps and is considering race and ethnicity reporting. Apple reported a 22 percent median base pay gap and a 52 percent bonus gap for U.K. employees.

RESOLVED: Shareholders request Apple report on median pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

SUPPORTING STATEMENT: An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- percentage median gender pay gap, globally and/or by country, where appropriate
- percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

Gender and Racial Pay Gap

Target Corp.

WHEREAS: Pay inequity persists across race and gender.

The 2019 U.S. Census data on median earnings for full-time, year-round workers found that women made 82 percent of that of their male counterparts.¹ The gap for African America and Latina women is 63 percent and 57 percent. At the current rate, women will not reach pay parity until 2059, African American women until 2130, and Latina women until 2224.²

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.”

Australia, Austria, Belgium, Columbia, Denmark, Finland, France, Germany, Iceland, Spain, Sweden and the United Kingdom mandate gender pay gap reporting in some form, demonstrating that publication of such data is feasible and informative.

The U.S. gender pay gap is 18.5 percent placing it fifth largest among 37 ranked countries.³

The U.S. minority pay gap is also significant. In the third quarter of 2021, Black workers had a 23 percent, and Hispanic workers a 24 percent wage gap of what White workers earned⁴

Assessing if a company has a gender or racial pay gap requires analyzing both equal pay and equal opportunity. This is done using adjusted and unadjusted (median) pay data.

Adjusted equal pay data aims to compare equal pay for equal work, but some corporate reports have omitted key employee groups such as C-suite employees where the highest level of gender and racial pay gaps occur.

Unadjusted median pay gap data—a key metric used by the U.S. Census Bureau, Department of Labor, Organization for Economic Cooperation and Development and International Labor Organization—addresses the structural bias women and underrepresented minorities face regarding job opportunity and pay, particularly when white men hold most higher paying jobs.

Target states its commitment to pay equity, but only provides a general description of its adjusted pay criteria (without providing any quantitative pay data that might help identify gaps) and does not provide any unadjusted median pay gap data.

Leading large-cap companies across industry sectors including Apple, Starbucks, Pfizer and Citigroup, among others, have publicly committed to pay equity and published the results of gender and/or racial pay gap assessments.

Investors seek quantitative, comparable data to understand the effectiveness of Target’s pay gap policies.

RESOLVED: Shareholders request that Target publish annually, quantitative data assessing its gender and racial pay gap, at reasonable expense and excluding proprietary information. Racial and gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings. A report adequate for investors to assess company performance would include the percentage median gender and racial pay gap, and would include base, bonus and equity compensation.

1. <https://www.census.gov/data/tables/time-series/demo/income-poverty/hist...>

2. https://www.jec.senate.gov/public/_cache/files/0779dc2f-4a4e-4386-b847-...-inequality----us-congress-joint-economic-committee.pdf

3. <https://data.oecd.org/earnwage/gender-wage-gap.htm>

4. <https://www.bls.gov/news.release/pdf/wkyeng.pdf>

Mandatory Arbitration

J.P. Morgan Chase & Co.

Similar resolutions were submitted to Goldman Sachs Group Inc. and Morgan Stanley.

RESOLVED: Shareholders of JPMorgan Chase & Co. (JPMorgan Chase) ask the Board of Directors to oversee the preparation of a public report on the impact of the use of mandatory arbitration on JPMorgan Chase's employees and workplace culture. The report should evaluate the impact of JPMorgan Chase's current use of arbitration on the prevalence of harassment and discrimination in its workplace and on employees' ability to seek redress. The report should be published by the end of the third quarter of 2022, be prepared at reasonable cost and omit proprietary and personal information.

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

Nevertheless, forty-eight percent of African Americans and thirty-six percent of Hispanics have experienced race-based workplace discrimination.² More than half of senior-level women say that they have been sexually harassed during their careers, with African American women facing an increased relative risk of sexual harassment in the workplace.³

JPMorgan Chase recognizes the importance of diversity, stating on its website that JPMorgan Chase is committed to maintaining a safe, productive, diverse, inclusive, professional, collegial and secure work environment in which all individuals are treated with respect and dignity.⁴ The company has also made an admirable \$30 billion commitment to address the racial wealth divide, reduce systemic racism against Black and Latinx people and support employees.⁵

JPMorgan Chase requires its employees to agree to arbitrate employment-related claims. Mandatory arbitration may limit employees' remedies for wrongdoing, reduce employees' willingness to report discrimination⁶, and prevent employees from learning about shared concerns. Arbitration may also enable discrimination, reduce workforce effectiveness, and create brand, legal, and human capital risks. Arbitration prevents class-action suits, which may allow companies with poorly implemented diversity, equity and inclusion policies to develop a sense of impunity. We are concerned that the widespread use of arbitration may signal that companies do not have full confidence in their own diversity programs and accountability systems.

Investors' concerns about arbitration's potential to allow harassment and discrimination to go unseen remain pertinent to JPMorgan Chase, where serious allegations of racism and gender discrimination have been raised. Other companies have ceased to require employees to arbitrate discrimination claims.

This includes Google, whose use of arbitration was identified as a key aspect of a culture of concealment in its \$310 million misconduct settlement.⁷ FINRA, the Financial Industry Regulatory Authority, does not require arbitration of employment discrimination claims.⁸ In addition, several states have sought to remove or reduce forced arbitration of employee claims. Such states include California, Maryland, New Jersey, New York, Vermont, and Washington.⁹

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

2. <https://www.nbcnews.com/politics/politics-news/poll-64-percent-american...-majorproblemn877536>

3. <https://www.wsj.com/articles/what-metoo-has-to-do-with-the-workplace-ge...>; <https://onlinelibrary.wiley.com/doi/abs/10.1111/gwao.12394>

4. <https://www.jpmorganchase.com/impact/people/equal-opportunity-anti-disc...-statement>

5. <https://www.jpmorganchase.com/news-stories/jpmc-commits-30-billion-to-a...>

6. <https://www.hnrl.org/2020/08/forced-into-employment-arbitration-sexual-...-metoo-and-beginning-to-fight-back-but-they-need-congressional-help/>

7. <https://www.law.com/therecorder/2020/09/25/google-ends-mandatory-arbitr...-settlement/>

8. <https://journals.sagepub.com/doi/full/10.1177/0019793917747520>

9. <https://www.reuters.com/legal/legalindustry/anti-arbitration-statutes-f...>

Risks Associated with Use of Concealment Clauses

Amazon.com, Inc

Similar resolutions were submitted to Alphabet, Inc., Apple Computer, Inc., Etsy, Inc., International Business Machines Corp. (IBM), Meta (Facebook Inc.), Salesforce.com, Inc., and Twitter.

RESOLVED: Shareholders of Amazon.com, Inc. (Amazon) ask that the Board of Directors prepare a public report assessing the potential risks to the company associated with its use of concealment clauses in the context of harassment, discrimination and other unlawful acts. The report should be prepared at reasonable cost and omit proprietary and personal information.

SUPPORTING STATEMENT: Concealment clauses are defined as any employment or post-employment agreement, such as arbitration, non-disclosure or non-disparagement agreements, that Amazon asks employees or contractors to sign which would limit their ability to discuss unlawful acts in the workplace, including harassment and discrimination.

WHEREAS: Amazon wisely uses concealment clauses in employment agreements to protect corporate information, such as trade secrets. However, harassment and discrimination are not trade secrets, nor are they core to Amazon's operations or needed for competitive reasons. Yet, Amazon's employment agreements may prohibit their workers from speaking openly on these topics. Given this, investors cannot be confident in their knowledge of Amazon's workplace culture.

A healthy workplace culture is linked to strong returns. McKinsey found that companies in the top quartile for workplace culture post a return to shareholders 60 percent higher than median companies and 200 percent higher than organizations in the bottom quartile.¹ A study by the Wall Street Journal found that over a five-year period, the 20 most diverse companies in the S&P 500 had an average annual stock return almost six percentage points higher than the 20 least diverse companies.²

In contrast, a workplace that tolerates harassment invites legal, brand, financial and human capital risk. Companies may experience reduced morale, lost productivity, absenteeism and challenges in attracting and retaining talent.³ Employees who engage in harmful behavior may also be shielded from accountability.

Pinterest paid \$22.5 million to settle a gender discrimination lawsuit brought by a former executive after years of binding employees who settled discrimination claims to concealment agreements. Shareholders ultimately sued Pinterest executives alleging a breach of fiduciary duty by perpetrating or knowingly ignoring the long-standing and systemic culture of discrimination and retaliation.⁴ Similarly, in 2020, Alphabet agreed to limit confidentiality restrictions associated with harassment and discrimination cases in a \$300 million settlement of shareholder lawsuits alleging the company created a toxic work environment.⁵

This year, five women separately sued Amazon over alleged racial and gender discrimination⁶ and the National Labor Relations Board found Amazon illegally retaliated against employees for speaking out against the company's climate and labor policies.⁷ Investors seek assurance that more missteps are not occurring at Amazon, hidden from view because of concealment clauses.

California law prohibits concealment clauses in employment agreements involving recognized forms of discrimination and unlawful activity.⁸ Amazon works under a patchwork of state laws related to the use of concealment clauses and may benefit from consistent practices across all employees and contractors.

1. <https://www.mckinsey.com/business-functions/organization/our-insights/the-organization-blog/culture-4-keys-towhy-it-matters>

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

3. https://conference.iza.org/conference_files/LaborMarkets_2021/sockin_j28322.pdf

4. <https://www.institutionalinvestor.com/article/b1phvnsffr2bp/Retirement-System-Sues-Pinterest-Board-and-Execs-Over-Discrimination>

5. <https://www.nytimes.com/2020/09/25/technology/google-sexual-harassment-lawsuit-settlement.html>

6. <https://www.washingtonpost.com/technology/2021/05/19/amazon-suit-race-gender-discrimination/>

7. <https://www.cnn.com/2021/09/29/amazon-settles-with-employees-who-said-they-were-fired-over-activism.html>

8. <https://www.marketwatch.com/story/silenced-no-more-act-becomes-law-in-california-crippling-ndas-1163370539>

Sexual Harrassment

Comcast Corp.

WHEREAS: Comcast and its subsidiaries are under intense public scrutiny for an alleged failure to protect employees from sexual harassment, hold those culpable accountable, and report transparently. NBC attracted global attention when it fired Today host Matt Lauer for ongoing workplace sexual harassment. In 2019, Ronan Farrow alleged Comcast covered up accusations against Lauer. NBC News' digital editorial staff formed a union soon after, noting serious questions about the company's treatment of women and people of color, management of workplace sexual misconduct, and opaque procedures for exposing powerful predators.

Failure to provide a safe workplace extends to Comcast call centers, where employees described a hostile culture of sexual harassment. In 2018, Comcast fired three call center employees who filed complaints. Fear of retaliation in reporting harassment is of concern. A U.S. Equal Employment Opportunity Commission study found that 75 percent of employees reporting harassment experienced retaliation and 87 to 94 percent of harassment victims did not file complaints.

Controversy has focused on NBC's insistence on conducting an internal investigation led by management, rather than independent advisors. The Council of Institutional Investors states best practice sexual harassment investigation should involve non-conflicted outside firms. Six 2020 presidential candidates called on the Democratic National Committee to demand Comcast conduct an independent investigation into its toxic culture.

Workplace harassment can result in higher turnover, lower productivity, increased absenteeism, and higher sick leave costs, harming shareholder value. A recent academic study found companies with the highest incidences of sexual harassment underperform the U.S. stock market by 19.9 percent the subsequent year. Companies that experienced a high number of allegations also saw a decline in Return on Equity of 10.9 percent, and labor costs rose 7 percent. A Harvard Business Review study found a single sexual harassment claim can make a company seem less equitable and would be enough to dramatically shape public perception of a company and elicit perceptions of structural unfairness.

While Comcast has conducted prior investigations into sexual harassment allegations, it has failed to report transparently on any independent investigation to employees and investors. To avoid legal and reputational risk and maintain shareholder value, Comcast must create a culture of accountability and transparency, protecting employees from harassment and discrimination.

RESOLVED: Shareholders urge the Board of Directors to release a transparency report (at reasonable expense, omitting confidential or privileged information) to shareholders assessing the effectiveness of the company's workplace sexual harassment policies, including the results of a comprehensive, independent audit/investigation, analysis of policies and practices, and commitments to create a safe, inclusive work environment.

SUPPORTING STATEMENT: Proponents suggest the report be published annually and summarize:

- Effectiveness of sexual harassment and gender discrimination policies, trainings, and measures
- Results of any independent investigation into employee or executive level allegations
- Steps taken (or that could be taken) to hold employees and executives accountable
- Number of sexual harassment cases investigated and the resolution

Respect for Rights of Indigenous Peoples

Wells Fargo & Company

A similar resolution was submitted to Citigroup.

WHEREAS: Internationally-recognized standards for Indigenous Peoples' rights are the UN Declaration on the Rights of Indigenous Peoples and International Labour Organization Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries.¹ Violation of the rights of Indigenous Peoples presents risks for Wells Fargo that can adversely affect shareholder value, including reputational damage, project delays and disruptions, litigation, and criminal charges.² Wells Fargo adopted the Equator Principles (EPs) in 2005, committing to only finance projects by borrowers who exhibit social and environmental responsibility.³ The company faces reputational risk if it finances projects that conflict with its own commitments. Despite EP enhancements in 2019 after several members, including Wells Fargo, failed to respect Indigenous Rights by financing the Dakota Access pipeline (DAPL), Wells Fargo is providing \$3.86 billion in financing for the Enbridge Line 3 tar sands pipeline expansion Line 3.⁴

Similar to DAPL, Line 3 poses significant risks to the land, water, and cultural rights of several Anishinaabe tribes. The expansion violates numerous rights of Indigenous Peoples as protected by international law, including the rights to free, prior, and informed consent (FPIC); health; culture; religion; security; and assembly.⁵ In particular, Line 3 threatens access to and health of manoomin, or wild rice, which is central to the survival of Anishinaabe culture.⁶ The pipeline, with estimated emissions equivalent to 50 coal plants, significantly contributes to climate change, disparately affecting Tribes.⁷ Enbridge and its partners have consistently failed to meet the international standard of FPIC as well as domestic standards of consultation with the Anishinaabe.⁸

Line 3 presents similar material risks as DAPL, which was estimated to incur over \$7.5 billion in costs due to material social risks.⁹ Line 3 has a history of ruptures and spills, most recently spilling approximately 10,000 gallons of drilling fluid between July and August 2021.¹⁰ The project has been the subject of numerous lawsuits, including challenges to the Clean Water Act permit and tribal court litigation on the natural rights of manoomin.¹¹

Furthermore, militarized response to protests and alleged violation of constitutional rights exposes Wells Fargo to reputational and litigation risk.¹² Enbridge has reimbursed U.S. law enforcement over \$2 million for policing protests against the construction of Line 3.¹³ Tactics included rubber bullets, pepper spray, solitary confinement in jail, denial of medications, and the bringing of excessive or inappropriate charges.¹⁴ There have been over 900 arrests, citations, and charges levied against Water Protectors, as well as harassment, surveillance,¹⁵ instances of sex trafficking, and violence against women.¹⁶

1. <https://www.hcn.org/articles/latest-justice-wild-rice-sues-to-stop-oil-pipeline#:~:text=It%20declared%20that%20within%20White,%2C%20recovery%2C%20and%20preservation.%E2%80%9D>
2. <https://www.protestlaw.org/line3> ; <https://www.promisehumanrights.blog/blog/2021/10/oil-flows-as-lawsuits-continue-over-enbridges-line-3-pipeline>
3. <https://www.theguardian.com/uk-news/2021/oct/05/line-3-pipeline-enbridge-paid-police-arrest-protesters>
4. <https://www.theguardian.com/environment/2021/aug/10/protesters-line-3-minnesota-oil-gas-pipeline> ; <https://www.vogue.com/article/letter-from-a-jailed-line-3-water-protector>
5. <https://theintercept.com/2021/08/07/minnesota-pipeline-line-3-public-records/>
6. <https://minnesotareformer.com/2021/03/08/shelter-reports-assaults-harassment-linked-to-line-3-pipeline-workers/> ; <https://www.vice.com/en/article/g5gkpw/four-enbridge-pipeline-workers-linked-to-sex-trafficking-minnesota>
7. <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html> ; https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312314
8. <https://static1.squarespace.com/static/58a3c10abebafb5c4b3293ac/t/5bea2acc89858370442dec08/1542073038236/fa%20octsheet+TREATY+RIGHTS.pdf>
9. <https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/our-approach.pdf>
10. https://www.ran.org/wp-content/uploads/2020/12/RAN-Briefing_Line3_KXL.pdf
11. https://www.colorado.edu/program/fpw/sites/default/files/attached-files/cerd_request_line_3_pipeline.pdf
12. <https://static1.squarespace.com/static/58a3c10abebafb5c4b3293ac/t/5bea2acc89858370442dec08/1542073038236/fa%20octsheet+TREATY+RIGHTS.pdf>
13. <https://mn350.org/giant-step-backward/>
14. https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/USA/INT_CERD_ALE_USA_9448_E.pdf
15. https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf
16. <https://minnesotareformer.com/2021/08/16/enbridge-line-3-drilling-fluid-spills-what-we-know-so-far/>

Environmental Health, Food and Sustainability

Proper management of environmental impacts helps companies compete in a business environment marked by growing public rejection of over-consumption and/or waste of precious natural resources. Companies that have a positive impact on the environment are also more likely to experience profitable long-term business performance. This year’s environmental health and food resolutions see a new emphasis on the impact of corporate cost externalization — prioritizing profit over the planet, beta and the common good. ICCR member resolutions typically focus on plastics pollution including recycling and demand reduction, chemicals of concern including PFAS, water pollution, and sustainability reporting.

There were 23 environmental health and food justice resolutions this year, 11 of which dealt with **plastic pollution**. Four more dealt with **measuring pesticide use in agriculture**. Three resolutions focused on **chemicals of concern**. Additional resolutions called for sustainability reports, or dealt with pollution and mining.



Environment Health, Food and Sustainability 23

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

Reduce Plastics Use

Without immediate and sustained new commitments throughout the plastics value chain, annual flows of plastics into oceans are expected to nearly triple by 2040. To reduce plastic pollution, recycling must be coupled with reductions in use, materials redesign, and substitution.

Noting that corporations face significant and growing financial risk from legislation being enacted around the globe requiring them to cover packaging waste management costs, investors asked 11 companies including **Amazon, CVS Health, Kraft Heinz, McDonald’s and Tyson** to reduce their use of plastics.



Conrad MacKerron, Senior Vice President — As You Sow

For 2022, As You Sow's work on plastic pollution moves upstream to address **risks faced by the oil and petrochemical sector as it ramps up production of plastic resins**, as well as continuing to **press consumer goods companies to use less single use plastic packaging**.

Big Oil seeks to shift to more production of plastics to make up for climate-related declines in hydrocarbon demand. Investors need to scrutinize company actions and be alert to the large and growing landscape of risk presented by this questionable bet on plastics. Just 20 polymer producers account for more than half of all single use plastics generated globally, and Dow and ExxonMobil are the two largest global contributors. We have filed proposals for 2022 with Dow, ExxonMobil, and Phillips 66, asking them to assess how likely reductions in virgin plastic demand due to new laws and policies restricting plastics use would affect the company's financial position.

On the consumer goods side, we continue to press large companies to use less plastic packaging. An authoritative report from Pew Charitable Trusts, *Breaking the Plastic Wave*, said single use plastic demand must decline by at least one-third to be able to reduce ocean plastic pollution by 80% by 2040. Our proposals in 2021 to 10 major consumer goods companies led five companies including Target Corp. and Walmart to agree to cuts in use of virgin plastic of more than 700,000 tons by 2025. We will continue to press Amazon, Church & Dwight, McDonald's and others to agree to make cuts with similar proposals for 2022.



Measure Pesticide Use in Agricultural Supply Chains

One third of every bite of food we eat is dependent on pollinators, but pollinator species are declining at rates, in large part due to the use of toxic pesticides on farms. Pesticides also cause a number of serious human health harms including cancer and neurological damage.

Investors asked **ADM, B&G Foods, and Kraft Heinz** to issue reports explaining if and how they are measuring the use of pesticides in their agricultural supply chains. A **Kroger** resolution also specified curtailing pesticides use.

Chemicals of Concern

Scientists are increasingly finding links between exposure to toxic chemicals and elevated rates of chronic diseases. Investors are pushing companies to reduce their chemical footprints via specific, time-bound reduction goals.

Investors asked **Bed, Bath & Beyond** to report on the outcomes of its chemical reduction efforts. **Dollar General** was asked to reduce its chemical footprint by adopting new policies. **Five Below** was asked to disclose how it assesses and manages risks associated with chemicals in its products.

Reduce Plastics Use

Amazon.com, Inc

Similar resolutions were submitted to Church & Dwight Co., Inc., Kraft Heinz Company, Kroger, McDonald's Corp. and Restaurant Brands International.

WHEREAS: The growing plastic pollution crisis poses increasing risks to our company. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce, a policy that is increasingly being enacted around the globe.¹

Recently, Pew Charitable Trusts released a groundbreaking study, *Breaking the Plastic Wave*, concluding that if all current industry and government commitments were met, ocean plastic deposition would be reduced by only 7%. Without immediate and sustained new commitments throughout the plastics value chain, annual flows of plastics into oceans could nearly triple by 2040.

The Pew report also finds that improved recycling must be coupled with reductions in use, materials redesign, and substitution. It concludes that plastic demand should be reduced by least 1/3, stating that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives. The European Union has banned 10 single-use plastic products commonly found in ocean cleanups and enacted a \$1/kg tax on non-recycled plastic packaging waste.

Amazon does not disclose how much plastic packaging it uses, but is believed to be one of the largest corporate users of flexible plastic packaging, which cannot be effectively recycled. A recent report by Oceana estimated that Amazon generated 465 million pounds of plastic packaging waste in 2019 and that up to 22 million pounds of its plastic packaging waste entered the world's marine ecosystems. Flexible packaging represents 59% of all plastic production but an outsized 80% of plastic leaking into oceans. Amazon has no goal to make all of its packaging recyclable.

Amazon is falling behind its peers. Unilever has taken the most significant corporate action to date, agreeing to cut virgin plastic packaging by 50% by 2025, including absolute elimination of 100,000 tons. At least seventeen other public consumer goods companies have virgin plastic reduction goals.² IKEA pledges to eliminate all plastic packaging by 2028.

Reducing Amazon's plastic packaging use and making all its packaging recyclable are necessary steps to combat the plastic pollution crisis. Our company is long overdue on taking action on this important issue.

RESOLVED: Shareholders request that the Amazon Board issue a report, at reasonable expense and excluding proprietary information, describing how the company could reduce its plastics use in alignment with the 1/3 reduction findings of the Pew Report, or other authoritative sources, to reduce the majority of ocean pollution.

SUPPORTING STATEMENT: The report should, at Board discretion:

- Quantify the weight of total plastic packaging used by the company;
- Evaluate the benefits of dramatically reducing the amount of plastics used in our packaging;
- Assess the reputational, financial, and operational risks associated with continuing to use substantial amounts of plastic packaging while plastic pollution grows unabated;
- Describe any necessary reduction strategies or goals, materials redesign, transition to reusables, substitution, or reductions in use of virgin plastic.

1. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf

2. <https://www.asyousow.org/report-page/plastic-pollution-scorecard-2021/>

Reduce Plastics Use

Jack in the Box Inc.

WHEREAS: Plastic pollution is a growing problem globally. Only nine percent of all plastic made in the last sixty years has been recycled and an estimated eleven million tons of plastic waste ends up in the ocean every year. Paper packaging is also associated with negative environmental impacts, such as high water and energy use and potential deforestation and forest degradation.

Jack in the Box currently has no public-facing goal or policy related to sustainable packaging, exposing the Company to reputational, regulatory, and competitive risk.

Changing consumer attitudes toward packaging pose reputational risk to the Company. In a recent AdWeek survey, a majority of respondents indicated that they are concerned about pollution from fast food containers. Fifty-five percent expressed a willingness to consider reusable alternatives, including seventy-seven percent of millennial and Gen Z participants. Jack in the Box risks alienating customers, especially the growing segment of young consumers, if it does not respond accordingly.

Regulation of plastics and packaging is gaining momentum across the country, including in states like California, Colorado, Hawaii, Oregon, and Washington, where Jack in the Box has hundreds of locations. If the Company does not take steps to address packaging sustainability now, it may be forced to in the coming years.

Jack in the Box is a laggard among quick service restaurant chains on sustainable packaging. McDonald's, Burger King, Taco Bell, Wendy's, Kentucky Fried Chicken, and Chipotle all have set quantitative, time bound goals to increase the sustainability of their packaging. McDonald's and Burger King have announced industry-leading partnerships with Loop, a zero waste packaging company, to pilot reusable containers.

By contrast, Jack in the Box received a failing grade in a recent As You Sow report comparing corporate plastics policies, tying for last place out of fifty companies and ranking well behind all of the aforementioned competitors. Investors are concerned that further lack of action on sustainable packaging could pose material risk to the Company and negatively impact shareholder value.

RESOLVED: Shareholders request that Jack in the Box issue a report, at reasonable cost and omitting proprietary information, discussing if and how the Company could advance its environmental sustainability efforts by developing a comprehensive sustainable packaging policy.

SUPPORTING STATEMENT: Proponents defer to management on the content of the report, but suggest that indicators meaningful to shareholders may include any quantitative, time bound goals for:

- Eliminating the use of single-use plastics;
- Transitioning from single-use to reusable packaging;
- Increasing the use of recycled content in plastic and fiber-based packaging;
- Increasing the use of responsibly sourced virgin fiber-based packaging, such as Forest Stewardship Council-certified material;
- Eliminating problematic plastics, such as black plastic; and
- Ensuring all packaging materials are free of toxic PFAS chemicals.

Rapidly Reduce Dependence on Single-Use Plastic Packaging

PepsiCo, Inc.

WHEREAS: Despite taking actions to reduce virgin plastic use and increase recycling, PepsiCo has been cited as a top global plastic packaging polluter for four consecutive years. Experts believe refillable bottles are key to addressing plastic pollution and can increase financial return, yet the company reports zero percent of packaging delivered in refillable containers, lagging its peers.

Pepsi's packaging generates enormous amounts of plastic pollution with 2.3 million tons of plastic packaging annually, the equivalent of 140,000 bottles per minute. Single-use bottles are far more likely to be improperly disposed of and to become ocean pollution, harming marine life. Less than 30% of PET plastic bottles are recycled in the U.S., leaving the vast majority to be landfilled or leak into the environment. Each refillable bottle can displace a single-use bottle and, with a 95% collection rate in well-managed systems, refillables are far less likely to end up as plastic waste.

Refillables provide opportunities for faster, larger cuts in single-use plastic. Competitor Coca-Cola distributes 11% of products in refillable containers and states, Refillable growth rates have increased during COVID-19, citing research that the pandemic has made consumers more aware of packaging waste and driven preference for refillable packages. An HSBC beverage industry analyst concluded ...to cut the number of bottles produced globally, only higher penetration of multi-use refillable bottles can move the system from mostly 'linear' to one that is materially more 'circular'.

Coca-Cola states that refillables are among its best packaging options for reducing the company's carbon footprint. Boosting market share of refillables by 10% in coastal countries could reduce plastic pollution by 22%, a 20% increase could cut pollution by 39%.

The growing plastic pollution problem will be more economically challenging for companies not investing adequately in alternative packaging solutions. Austria, Chile, and Germany have enacted refillables quotas. Governments may impose further limits or punitive taxes on single-use plastic bottles.

Pepsi has not committed to investing in refillables equipment nor the system infrastructure that will be needed to keep pace with Coca-Cola's refillables operations in many countries. Pepsi should consider how to build a refillables presence in global markets, including setting refillable packaging goals and timelines to ensure expedited reduction of plastic use and plastic waste.

RESOLVED: Shareholders request the board of directors issue a report, at reasonable expense and excluding proprietary information, describing the potential and options for the Company to rapidly reduce dependence on single-use plastic packaging.

SUPPORTING STATEMENT: Proponent suggest that the approaches the Company should evaluate in the report, at board and management discretion, include:

- Expanding and supporting global refillables systems and infrastructure;
- Evaluating opportunities for setting multiple aggressive refillables goals and deadlines at the country or regional level;
- Establishing uniform measurement metrics on refillables use; and
- Publicly disclosing company refillables metrics.

Impact of Reduced Plastics Demand on Financial Assumptions

Exxon Mobil Corporation

A similar resolution was submitted to Dow Inc.

WHEREAS: Plastics, with a lifecycle social cost at least ten times higher than its market price, actively threaten the world's oceans, wildlife, and public health. Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels. Of particular concern are single-use plastics (SUPs) which make up the largest component of the 11 million metric tons of plastic ending up in waterways annually. Without drastic action, this amount could triple by 2040.

In response to the plastic pollution crisis, countries and major packaging brands are beginning to drive reductions in virgin plastic use.

Several studies demonstrate that a significant absolute reduction in virgin plastic demand is critical to curbing the flow of plastic into oceans. One of the most robust reduction pathways is presented in the widely-respected report, *Breaking the Plastic Wave*, which found that plastic leakage into the ocean can be feasibly reduced by 80% under its System Change Scenario (SCS), which is based on a significant absolute reduction of virgin SUPs.

BP has recognized the potential disruption that global SUP reductions could have on the oil industry in its 2019 Outlook, where it found a global SUP ban by 2040 would reduce oil demand growth by 60%.

The future under the SCS – one built on recycled plastics and circular business models – looks drastically different than today's linear take-make-waste production model. Several implications of the SCS, including a one-third absolute demand reduction (mostly of virgin SUPs) and immediate reduction of new investment in virgin production, are at odds with Exxon's planned investments.

Exxon was recently identified as the largest global producer of SUP-bound polymers (5.9 million metric tons in 2019, an estimated 50% of its total polymer production) and exposed for lobbying against plastic pollution laws. While Exxon states it is acting to address plastic waste, it fails to meaningfully address the potential for regulatory restrictions and/or significant disruption in demand for virgin plastic, both of which could result in stranded assets.

BE IT RESOLVED: Shareholders request that Exxon's Board issue an audited report addressing whether and how a significant reduction in virgin plastic demand, as set forth in *Breaking the Plastic Wave's* System Change Scenario to reduce ocean plastic pollution, would affect the Company's financial position and assumptions underlying its financial statements. The report should be at reasonable cost and omit proprietary information.

SUPPORTING STATEMENT: Proponents recommend that, in the Board's discretion, the report include:

- Quantification (in tons and/or as a percentage of total) of the company's polymer production for SUP markets;
- A summary or list of the company's existing and planned investments that may be materially impacted by the SCS;
- Any future plans or goals to shift its business model from virgin to recycled plastics.

Shift From from Virgin to Recycled Polymer to Reduce Plastic Pollution

Phillips 66

WHEREAS: Plastics, with a lifecycle social cost at least ten times higher than its market price, actively threaten the world's oceans, wildlife, and public health. Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels. Of particular concern are single-use plastics (SUPs) which make up the largest component of the 11 million metric tons of plastic ending up in waterways annually. Without drastic action, this amount could triple by 2040.

In response to the plastic pollution crisis, countries and major packaging brands are beginning to drive reductions in virgin plastic use.

Several studies demonstrate that a shift away from virgin plastic production is critical to curbing the flow of plastic into oceans. One of the most robust pathways is presented in the widely respected Breaking the Plastic Wave report, which finds that plastic leakage into the ocean can feasibly be reduced 80 percent under its System Change Scenario (SCS), which is based on a global shift to recycled plastics (almost tripling demand for recycled content) coupled with a one-third absolute reduction of virgin demand (mostly of virgin SUPs).

The future under the SCS – one built on recycled plastics and circular business models – looks drastically different than today's linear take-make-waste production model and would peak virgin plastic demand globally before 2030.

Chevron Phillips Chemical Company (CPChem), jointly owned by Phillips 66 and Chevron, is a major producer of virgin plastics. CPChem is estimated to be the 15th largest global producer of SUP-bound polymers with 1.8 million metric tons produced in 2019, an estimated 42 percent of its total production. While CPChem has made significant investments into circular polymers, and states a goal to not only end post-consumer plastic waste, but also keep plastic where it belongs, its core business model of producing virgin plastics (especially SUPs) from fossil fuels is rapidly expanding. As a partial owner of CPChem, Phillips 66 faces growing risk from CPChem's continued investment in virgin plastic production infrastructure.

BE IT RESOLVED: With board oversight, shareholders request that Phillip 66 prepare a report (at reasonable cost and omitting proprietary information) describing how the Company could shift its plastic resin business model from virgin to recycled polymer production as a means of reducing plastic pollution of the oceans.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the analysis include:

- Quantification (in tons and/or as a percentage of total production) of the company's polymer production for SUP markets
- An assessment of the resilience of the company's portfolio of petrochemical assets under virgin to recycled transition scenarios of five and ten years, and the financial risks associated with such scenarios
- The benefits of such a shift in terms of plastic pollution avoided
- Any risks or benefits to the Company's finances or operations

Titanium Mining Assessment

The Chemours Company

WHEREAS: Mining next to ecologically sensitive protected areas poses material climate, regulatory, and reputational risks.

At 438,000 acres, the Okefenokee Swamp is one of the world's largest intact freshwater wetlands. Over 402,000 acres are protected in the Okefenokee National Wildlife Refuge, the largest refuge in the eastern United States and home to hundreds of plant and animal species. Moreover, the Okefenokee is the largest freshwater peat deposit in the Northern Hemisphere's subtropical zone, storing the equivalent of 95 million tons of carbon dioxide.

Twin Pines Minerals, LLC has applied for permits to mine titanium next to the Okefenokee, and there has been evidence of Chemours' interest in buying this project (the Project) following permit issuance. Pursuit of such mining or procurement of materials mined there could expose Chemours to considerable material financial risk:

Climate and Biodiversity: Federal government scientists have raised concerns that the Project would lower the swamp's water level, causing serious damage to the ecology and wildlife habitat. This would also dry out the peat beds to greater depths, promoting the spread of catastrophic fire. Were Chemours to mine or purchase titanium mined near the Okefenokee, the company's scope 3 emissions would dramatically increase in the event of a major fire. The carbon stored in the Okefenokee is equivalent to 68% of the Company's 2020 scope 3 emissions, and 15 times its combined scope 1 and 2 emissions. Accordingly, any involvement with titanium mining near the Okefenokee would conflict with Chemours' stated aspiration to reduce its scope 3 emissions, while also exacerbating the business performance and operational risks associated with climate change cited in Chemours' 2020 10-K.

Regulatory and Legal: The outlook for the Project and other development near the Okefenokee is uncertain, as the Biden administration may restore protections for wetlands eliminated under the Trump administration's wetland rule, which has been overturned by two federal judges. Any developments could therefore become stranded assets and expose Chemours to litigation risk.

Reputational: Campaigns challenging the Project have generated over 100,000 comments to permitting agencies and significant media attention, including coverage from the Washington Post and NPR. A group of 120 religious leaders and two former cabinet secretaries have also voiced their opposition. The attention garnered by a 1998 DuPont shareholder proposal regarding similar titanium mining plans next to the Okefenokee helped persuade DuPont to abandon its project and commit to never mine in the area. A reversal by Chemours, DuPont's corporate successor, would heighten the reputational risk to the company.

RESOLVED: Shareholders request that the Board of Directors issue a public report, within a reasonable time, assessing the benefits and drawbacks of committing not to engage in titanium mining, nor to purchase titanium mined by others, near the Okefenokee National Wildlife Refuge, and assessing the financial and reputational risks to the company associated with such development or procurement.

Proxy Resolutions: Environmental Health, Food and Sustainability

For the full list of investors who filed this resolution, see the Index on p. 281.

Environmental and Social Risk

Honeywell International Inc.

RESOLVED: Shareholders request the Board of Directors report on the company's due diligence process to identify and address environmental and social risks related to emissions, spills, or discharges from Honeywell's operations and value chain. The report should:

- Explain the types and extent of stakeholder consultation; and
- Address Honeywell's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse impacts on the environment and human health

WHEREAS: Honeywell's operations are linked to significant pollution incidents, including PCB contamination, violation of air quality standards, and liability for numerous EPA Superfund Sites.¹ Failure to adequately assess and mitigate environmental and social impacts from company operations often results in litigation, project delays, and significant fines. For instance, Honeywell has reportedly incurred over \$261 million in fines since 2000, over half of which are related to environmental penalties.² The company is also ranked in the top 10 companies responsible for water pollution globally, according to a 2020 report.³ Honeywell lists material environmental liabilities as an operational risk and anticipates future environmental lawsuits, claims, and costs.⁴

This cost of doing business for the company has disparate and significant costs for community members, public health, and the environment.⁵ In 2020, New Jersey filed a lawsuit against Honeywell for allegedly knowingly polluting water and soil with cancer-causing PCBs.⁶ In 2019, Honeywell reached settlements to pay up to \$16.2 million in South Carolina and \$4 million in Georgia for PCB contamination as well.⁷ In June 2021, Honeywell and two other companies agreed to pay over \$65 million for allegedly contaminating drinking water in New York with PFAS, a long lasting chemical associated with developmental and reproductive issues, cancer, and immunological effects.⁸ The company is also facing lawsuits over endangering residents with hazardous waste contamination from its Illinois uranium facility and for soil and groundwater contamination at the Gary/Chicago International Airport.⁹

Fenceline communities have criticized Honeywell for lack of effective community consultation surrounding pollution incidents, and for insufficient cleanup.¹⁰ A legacy Honeywell pollution coke smoke stack in Tonawanda, NY is linked to decades of health impacts, including elevated cancer risks, cardiopulmonary disease, and birth defects.¹¹ Community members allege they have not been adequately consulted in cleanup efforts, and Honeywell is lobbying to reclassify the site, which may result in less comprehensive remediations.¹²

Failure to adequately address environmental and social risks poses material legal and regulatory risks to the company and its shareholders. Honeywell reserved \$660 million for environmental liabilities in 2020 but is unable to reasonably estimate future potential costs for environmental liabilities.¹³ Honeywell does not disclose any detailed information on its processes for community consultation beyond philanthropy initiatives. Investors lack sufficient disclosure on how Honeywell's Environmental and Social initiatives and other due diligence processes identify and address environmental and social risks associated with its pollution.

1 <https://www.nj.com/news/2020/11/nj-sues-over-decades-of-pollution-along-hudson-river.html> ; <https://www.epa.gov/enforcement/case-summary-29-million-settlement-clean-saltwater-marsh-lcp-chemicals-superfundsite> ; <https://grconnect.com/tox100/ry2018/index.php?search=yes&company2=3247>

2 <https://violationtracker.goodjobsfirst.org/parent/honeywell-international>

3 <https://peri.umass.edu/toxic-100-water-polluters-index-current>

4 https://s27.q4cdn.com/359586471/files/doc_downloads/proxy_materials/2021/HON-2020-Annual-Report.pdf

5 <https://www.justice.gov/opa/pr/honeywell-and-others-fund-restoration-natural-resources-and-protect-natural-habitat-along>

6 <https://www.northjersey.com/story/news/environment/2020/11/10/honeywell-superfund-lawsuit-nj-over-edgewater-nj-and-hudson-river-contamination/6224306002/>

7 <https://www.wsocvtv.com/news/local/honeywell-international-paper-commit-to-162m-cleanup-of-contaminated-site-innc/942112586/> ; https://thebrunswicknews.com/news/local_news/dnr-settles-with-honeywell-on-lcpcleanup/article_33e82090-8bb7-5cdc-8f2c-019034491318.html

8 <https://topclassactions.com/lawsuit-settlements/medical-problems/cancer-medical-problems/residents-reach-65m-withsaint-gobain-3m-honeywell-over-tainted-water-supply/>

9 <https://www.law.com/2021/07/27/honeywell-hit-with-environmental-lawsuit-over-uranium-storage/?sreturn=20210629100730> ; <https://casetext.com/case/garychi-intl-airport-auth-v-honeywell-intl-inc-1>

10 <https://indiancountrytoday.com/archive/onondaga-seek-voice-in-lake-cleanup-nation-wants-principled-negotiations>

11-13 footnotes missing

Improving the Company's Chemical Footprint

Dollar General Corporation

WHEREAS, the Company currently discloses information on its management of certain sustainability issues according to selected standards from the Sustainability Accounting Standards Board (SASB). One of those standards under which the company reports relates to management of hazardous chemicals in products.

The SASB standard requires disclosure regarding third-party branded products and private label products offered for sale by the entity¹. Yet the Company's disclosures and activities principally relate to its private label products and thus the disclosures demonstrate a significant gap in the company's chemical management policy.

The company has disclosed that for the 2019 fiscal year it had a restricted substances list with eight substances on it and is requiring the elimination of those substances by December 2022 in certain private label formulated products. In contrast, the company is encouraging their elimination in nationally branded products, but without articulated reduction goals for those third-party products which may comprise as much as 75% of the company's inventory and sales.

In contrast, the company's peers are improving product safety and reducing liabilities by eliminating many other chemicals in brand-name as well as privately labeled products.

For instance, Target's chemicals policy addresses the company's entire value chain, operations and every product it sells, including both private label and brand name products². Target utilizes restricted substances lists to minimize and eliminate prioritized chemicals from their products and processes. Thus far, the company has focused the implementation of the policy on household cleaning, textiles, beauty, baby care, and personal care products.

Walmart has a comprehensive program intended to reduce its chemical footprint of consumables by 10 percent by 2022 for both private label and independently-branded products³. The company set goals to reduce harmful chemicals in the manufacturing of apparel, footwear, soft home textiles and packaging⁴.

Dollar Tree excluded 17 chemicals of concern in 2020 from privately labelled formulated products and has plans to reduce polyvinyl chloride from children's products, and per- and polyfluoroalkyl substances (PFAS) and phthalates from packaging of food and beverage products⁵.

Target, Walmart and Dollar Tree participate in the Chemical Footprint Project (CFP) Survey, which benchmarks corporate reduction of the use of chemicals of high concern. The CFP has demonstrated that current chemicals management policies are only touching the surface of the need to protect public health. The CFP identified over 2,200 chemicals defined by authoritative bodies known to be harmful to human health and environment, drawing from lists including EPA's carcinogens and persistent bioaccumulative toxins lists and the National Institutes of Health Reproductive and Developmental toxins list.

RESOLVED: Shareholders request that the company reduce its chemical footprint by adopting new policies including:

- Expanding its chemical restrictions to include appropriate categories of third-party branded products;
- Accelerating the timetable to expand the number of chemicals addressed in the company's Restricted Substance List using authoritative lists.

1 https://www.sasb.org/wp-content/uploads/2018/11/Multiline_and_Specialty_Retailers_Distributors_Standard_2018.pdf

2. https://corporate.target.com/_media/TargetCorp/csr/pdf/Target-Chemicals-Policy.pdf

3. <https://corporate.walmart.com/esgreport/esg-issues/safer-healthier-food-other-products>

4. <https://www.walmartsustainabilityhub.com/sustainable-chemistry/implementation-guide/appendices>

5. https://www.dollartree.com/file/general/Corporate_Sustainability_Report.pdf

Sustainable Accounting on Chemicals Policy

Five Below

WHEREAS: For investors, consumer exposure to hazardous chemicals in products raises company specific and portfolio-wide concerns. In the last decade, poor management of regulatory, legal, reputation and redesign risks from hazardous chemicals in products has caused plummeting company stock prices (Bayer, Lumber Liquidators, 3M, Dow) and bankruptcy (SIGG NA, J&J). Across the economy, the costs are rising: a 2017 study showed that costs associated with environmental chemical exposures worldwide likely exceed 10 percent of global GDP or 11 trillion dollars.¹ Independent tests showed that 66% of 35 products randomly selected for testing from Five Below stores contained chemicals of high concern, like lead².

Regulatory risk is on the rise. Since 2000, more than 35 states have passed 173 policies that establish state chemicals programs to identify, limit or ban the use of harmful chemicals in products including baby bottles, furniture, electronics, toys, cosmetics and cleaning products.³

The Sustainability Accounting Standards Board (SASB) has established industry-specific Standards that guide companies in disclosing financially material, decision-useful sustainability information for investors. Within the consumer goods sector, SASB established standards associated with multiline and specialty retailers and distributors (applicable to our Company). One of these SASB guidelines relates to processes to assess and manage risks and/or hazards associated with chemicals in products.

Five Below does not report to investors on numerous elements that SASB recommends regarding chemical hazards in products including:

- Operational processes it employs for chemicals management.
- Whether it uses testing and/or third party certification to verify chemical content of private and third party labeled products.
- Progress toward the elimination goals.

The Chemical Footprint Project (CFP) Survey⁴ benchmarks corporate reduction of the use of chemicals of high concern. The CFP identified over 2,200 chemicals defined by authoritative bodies known to be harmful to human health and environment, drawing from lists including EPA's carcinogens and persistent bioaccumulative toxins lists and the National Institutes of Health Reproductive and Developmental toxins list. Walmart, Target, and Dollar Tree participate in the CFP survey and have set public goals to address their chemical footprints.

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders with a Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products, with consideration of the SASB multiline and specialty retailers standard. The report should be published within one year of the 2022 Annual Meeting, at reasonable expense and excluding confidential information.

SUPPORTING STATEMENT: The proponent recommends that the report also be prepared with an eye toward organized efforts such as the Chemical Footprint Project Survey and its use of authoritative sources for candidates for company restricted substances lists, and that the report, at board and management discretion, consider the relative benefits and drawbacks of:

- Developing a comprehensive chemical policy;
- Identifying chemicals of high concern and a process for their elimination; and
- Deployment of safer alternatives when available.

1 <https://ehjournal.biomedcentral.com/track/pdf/10.1186/s12940-017-0340-3?site=ehjournal.biomedcentral.com>

2. https://ej4all.org/assets/media/images/Five%20Below%202021%20Reportupdated_12_2021.pdf

3. saferstates.org/bill-tracker/.

4. <https://www.chemicalfootprint.org/resources/entry/cfp-in-chemicalwatch-november-14-2019>

Chemical Management

Bed Bath & Beyond Inc.

RESOLVED: Shareholders of Bed Bath & Beyond (the Company) request that the board of directors report to shareholders, at reasonable expense and excluding proprietary information, on the outcomes of the Company's chemical reduction efforts by publishing quantitative and qualitative data on progress to eliminate the use of chemicals of concern.

SUPPORTING STATEMENT: Shareholders leave the method of disclosure to management's discretion but some recommended considerations include:

- Evaluation of vendor compliance with the Company's chemical policies;
- Measure of chemical footprint in private label and third-party products;
- Set reduction goals, and track and disclose progress against a baseline.

WHEREAS: For investors, the urgency for companies to reduce their chemical footprint continues to rise. Scientists are increasingly connecting the dots between exposure to toxic chemicals, elevated rates of chronic diseases, and the association with weakened immunity and higher vulnerability to infectious diseases, like COVID-19.¹

The regulatory landscape is rapidly changing with 38 states adopting over 250 policies regulating toxic chemicals, creating risk for companies that do not proactively manage and reduce their chemical footprint.²

The Company has taken steps to reduce the use of chemicals of concern through its Restricted Substances List³ and Priority Chemical List.⁴ However, these documents were last updated in 2019, it is unclear whether they apply to private label and third-party vendors, and there is no disclosure on how compliance is verified. The Company's governance documents do not include disclosure of specific timebound reduction goals or progress to meet the expectations of the restricted substances lists.⁵

In contrast, the Company's peers are improving product safety and reducing liabilities by eliminating chemicals and disclosing their progress⁶:

Target's chemicals policy addresses the company's entire value chain, operations and every product it sells, including both private label and brand name products⁷. Target regularly reports on the percent of products that meet their chemical management and transparency goals. Walmart has a comprehensive program intended to reduce its chemical footprint of consumables by 10 percent by 2022 for both private label and independently-branded products⁸. Walmart reports annually on its reduction of priority chemicals by weight. Dollar Tree, Target, and Walmart, along with a growing number of other retailers and manufacturers are participating in the annual Chemical Footprint Project Survey, which benchmarks corporate reduction of the use of chemicals of high concern. Front-runners in the Survey are top performers in all aspects of proactive chemicals management.⁹

With its commitment to build a better home for the next generation and assertion that everyone deserves to home, happierTM,¹⁰ the Company needs to provide clear data on its chemical footprint and reduction efforts so that investors are able to compare its chemical management programs to those of its peers and have confidence that the Company's programs and policies are being well implemented. In a competitive marketplace increasingly demanding clean and safe products, transparency disclosure of its chemical reduction goals and progress reduces risk for shareholders and our company.

1. <https://www.ehn.org/chemical-exposure-coronavirus-2645785581.html>

2. <https://saferstates.org/>

3. <https://bedbathandbeyond.gcs-web.com/static-files/d67753d9-8a7d-499b-a3fc-bda681a4de21>

4. <https://bedbathandbeyond.gcs-web.com/static-files/c35c02b6-9c71-4b2c-9258-8f0b464521df>

5. <https://bedbathandbeyond.gcs-web.com/static-files/be6c5112-3ae1-4290-9d9e-1c9948e2ed27>

6. <https://retailerreportcard.com/>

7. https://corporate.target.com/_media/TargetCorp/csr/pdf/Target-Chemicals-Policy.pdf

8. <https://corporate.walmart.com/esgreport/esg-issues/safer-healthier-food-other-products>

9. <https://www.chemicalfootprint.org/assets/downloads/ChemicalFootprintProject-2020-Report.pdf>

10. <https://www.bedbathandbeyond.com/store/static/environmentalsocialgovernance>

Measuring Pesticide Use in Agricultural Supply Chains

Archer-Daniels-Midland Company

Similar resolutions were submitted to B&G Foods, Inc. and Kraft Heinz Company.

WHEREAS: One third of every bite of food we eat is dependent on pollinators; and pollinator species are declining at alarming rates in significant part due to the use of toxic pesticides on farms. Pesticides also cause a number of serious human health effects from cancers to neurological damage.

Pesticides threaten farmer resiliency and productivity due to proliferation of pesticide-resistant weeds and insects, loss of top soil, and soil degradation. Pesticides also threaten biodiversity, harming soil invertebrates, birds, and mammals. Soil consistently treated with pesticides loses its ability to store water and carbon, threatening resilience to climate change.

Archer Daniels Midland (ADM) has outlined Sustainable Agriculture goals in its public reporting. However, these goals do not include any consideration for risks related to pesticide use. ADM has not disclosed if or how it tracks, reports, or reduces the use of synthetic pesticides in its agricultural supply chains, representing an important blind spot.

Other major food companies are taking action to reduce and report on pesticide risk:

- General Mills discloses metrics for tracking and reporting pesticide use by suppliers in its regenerative agriculture program, including type and name of input, amount and method used, cost and date of application, and pest or disease being controlled. It also reports pounds of pesticides avoided.
- Lamb Weston discloses average pesticide use data across its potato supply chains (reported in pounds of active ingredient use per ton of potatoes grown.)
- Sysco reports annually on pesticide use avoided by suppliers using Integrated Pest Management (IPM) — reporting 8.4 million pounds avoided in 2019.

In a competitive marketplace that is increasingly demanding clean food and reduced stakeholder and environmental harm, understanding and tracking supplier use of pesticides reduces risk for shareholders and our company, while reducing harm to stakeholders.

BE IT RESOLVED: Shareholders request that ADM issue a report, at reasonable cost and omitting proprietary information, explaining if and how the company is measuring the use in its agricultural supply chains of pesticides that cause harm to human health and the environment.

SUPPORTING STATEMENT: While metrics are left to management discretion, shareholders recommend the company measure and disclose the following:

- Type and amount of pesticides avoided annually through targeted strategies like regenerative agriculture programs, IPM, or other methods;
- Priority pesticides for reduction or elimination;
- Targets and timelines, if any, for pesticide reduction.

Measuring Pesticide Use in Agricultural Supply Chains

Kroger Co.

RESOLVED: Shareholders of Kroger request that the board of directors issue a report, at reasonable cost and omitting proprietary information, explaining if and how the company is measuring and curtailing the use of pesticides in its agricultural supply chains that cause harm to human health, pollinators, and the environment.

SUPPORTING STATEMENT: While specific metrics are left to management's discretion, shareholders recommend that the company disclose the following information:

Type and amount of pesticides avoided annually through targeted strategies; Priority pesticides for reduction or elimination aligned with standards, such as the Pesticide Action Network International List of Highly Hazardous Pesticides that draws upon authoritative studies;¹ Company targets and timelines, if any, for pesticide reduction.

WHEREAS: A third of the food we eat is dependent on pollinators; but pollinator species are declining at alarming rates in significant part due to the use of toxic pesticides on farms.² Protecting biodiversity is a nature-based solution that helps build healthy soils, reduce carbon emissions, and increase crop resilience.

Pesticide exposure is associated with several serious health effects in humans from increased risk of cancers to developmental defects in infants and children.³⁴ Health advocates have sounded the alarm to consumers about residues of glyphosate in food products,⁵ and consumer lawsuits have targeted manufacturers of foods containing such residues.⁶

Kroger has achieved its goal to eliminate the sourcing of outdoor live plants for our stores and garden centers that have been treated with pesticides containing neonicotinoids by 2020.⁷ Moreover, Kroger identified promoting responsible pesticide, fertilizer and soil-management practices as a material issue,⁸ yet the company has not disclosed if or how it tracks, reports, or reduces the use of synthetic pesticides in its agricultural supply chain.

Kroger has fallen behind competitors that are increasingly setting timebound measurable commitments:⁹

Walmart will source 100 percent of fresh produce and floral from suppliers that adopt integrated pest management (IPM) practices, as verified by a third-party, by 2025, and encourages produce suppliers to report on pesticide application annually. Giant Eagle requires produce suppliers to eliminate use of nitroguanidine neonicotinoids and adopt IPM practices by 2025 and is requiring third-party certification to track progress. Costco reports annually on the percent of its live good suppliers that have eliminated use of neonicotinoids, chlorpyrifos, organophosphates, and glyphosate. Sixteen Costco suppliers are certified through the Equitable Food Initiative on implementing IPM practices and ensuring farmworker health and safety. Albertsons, Aldi, Costco, Dollar Tree, Meijer, Rite Aid, and Target have pollinator policies that explicitly call for reduction of pesticides of concern and use of IPM practices in agricultural supply chains.

As one of the leading grocery retailers by market share, Kroger faces reputational, financial, and regulatory risk by failing to address the impacts of synthetic pesticide use in its agricultural supply chains. In a competitive marketplace increasingly demanding clean food and reduced stakeholder and environmental harm, understanding and tracking supplier use of pesticides reduces risk for shareholders and our company.

1. http://pan-international.org/wp-content/uploads/PAN_HHP_List.pdf

2. <https://xerces.org/pesticides/risks-pesticides-pollinators>

3. https://www.annualreviews.org/doi/full/10.1146/annurev.publhealth.25.101802.123020#_i34

4. <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1552-6909.2009.01092.x>

5. <https://www.ewg.org/release/roundup-breakfast-part-2-new-tests-weed-killer-found-all-kids-cereals-sampled>

6. <https://www.fooddive.com/news/general-mills-sued-over-glyphosate-in-cheerios-days-after-monsanto-verdict/530626/>

7. https://www.thekrogerco.com/wp-content/uploads/2019/06/The-Kroger-Co_Pollinator-Protection-Statement_2019-June.pdf

8. <https://www.thekrogerco.com/wp-content/uploads/2021/07/Kroger-2021-ESG-Report.pdf>

9. <https://foe.org/retailer-report-card/>

Phase Out use of Medically Important Antibiotics

Costco

WHEREAS: The World Health Organization (WHO) considers antimicrobial resistance (AMR) one of the most urgent health challenges of our time. AMR renders life-saving drugs useless; by 2050, it could cause an estimated 300 million premature deaths and up to \$100 trillion in global economic damage.

The use of antibiotics in animal agriculture is a major contributor to AMR. Nearly two-thirds of antibiotics sold for use in the U.S. are used in food animals. When antibiotics are administered to animals routinely, bacteria can adapt and become resistant, causing drug-resistant infections in humans.

Costco's current animal welfare policy is to limit the use of antibiotics important to human medicine "for the prevention, control, and treatment of disease only under the supervision of a licensed veterinarian..." This policy follows current federal regulatory guidelines, which are widely regarded by consumer health advocates as inadequate; they allow routine use of medically important antibiotics as a disease prevention tool, rather than requiring producers to improve the animal welfare conditions that sicken animals.

Consumers are concerned about antibiotics in meat. Antibiotic-free meat retail sales grew by approximately 28% in 2011-2015, versus 5% growth of conventional meat sales over the same period. In a 2018 survey, nearly half of consumers surveyed said they "often" or "always" purchase meat raised without antibiotics.

Despite the urgent risk of antibiotic resistance and increasing consumer demand for 'clean' meat products, Costco does not have a policy to restrict the use of medically important antibiotics in its private label poultry supply chain beyond existing regulations. While Costco has reported that chickens raised in its Lincoln Premium Poultry complex have not received medically important antibiotics, it has not disclosed antibiotic use practices for third party chicken suppliers. The company claims it is incapable of assuring transparency into its poultry supply chain's antibiotic use practices.

Other large poultry purchasers have committed to end use of chicken products raised with medically important antibiotics:

- McDonald's chicken purchasing policy prohibits the routine preventive use of any antibiotics important to human medicine, and commits to phase out all use of antibiotics considered High Priority Critically Important by WHO.
- KFC reports that, as of January 2019, all its purchased chicken for U.S. locations is raised without any medically important antibiotics.
- Whole Foods Market's purchasing policy prohibits the use of any antibiotics in all meat categories.

Consumer advocates have begun testing retail meat products for superbugs, as has the USDA. If the company does not ensure that its suppliers are preventing antibiotic resistance, it faces risk of regulatory action and reputational damage.

RESOLVED: Shareholders request that Costco adopt an enterprise wide policy to phase out the use of medically important antibiotics in its private label chicken supply chain (including routine use for disease prevention) with an exception for treatment and non-routine control of diagnosed illness.

Sustainability Reporting

Cathay General Bancorp

Similar resolutions were submitted to East West Bancorp and Green Dot Corporation.

RESOLVED: Shareholders request Cathay General Bancorp issue a report describing the company's environmental, social, and governance (ESG) policies, practices, and performance goals and metrics. The report should be updated annually, prepared at reasonable cost, and omit proprietary information.

SUPPORTING STATEMENT: In assessing relevant content for the report, we recommend, at management's discretion, consideration of the following:

- Utilization of recognized frameworks, such as SASB Standards for the Commercial Banks industry, to ensure consistent, comparable, and decision useful disclosures.
- Quantitative, timebound goals for improvement against ESG performance.
- Discussion of how sustainability considerations are integrated into business strategies and operational decisions.

Tracking and reporting on ESG business practices strengthens a company's ability to respond to a global business environment characterized by finite natural resources, evolving legislation, and heightened public expectations for corporate accountability.

Regardless of company size or industry, public sustainability reporting on material ESG factors can contribute to long-term business success and creation of shareholder value by helping companies better recognize operational efficiencies, enhance competitiveness, and identify new revenue generating opportunities. It can also help companies attract and retain talent, build brand and reputational value, and better manage a rapidly developing regulatory landscape.

The rapid uptake of ESG reporting among publicly traded companies reflects the growing acknowledgement of the material benefits afforded by enhanced disclosure and management of key sustainability issues. In 2011, just 20% of companies in the S&P 500 index were producing sustainability disclosures. In 2020, 92% of the index published a sustainability report, as well as 70% of the Russell 1000 index.¹

The United Nations Principles for Responsible Investment has more than 4,375 signatories that represent \$121 trillion in assets globally. These members publicly commit to: seek appropriate disclosure on ESG issues by the entities in which [they] invest and to incorporate ESG issues into investment analysis and decision making. Insufficient information presents challenges to investors' and third-party ESG research providers' ability to comprehensively evaluate a company's management of ESG-related risks and opportunities. Weak corporate disclosure may lead to a poor evaluation and unnecessary exclusion from investment portfolios.

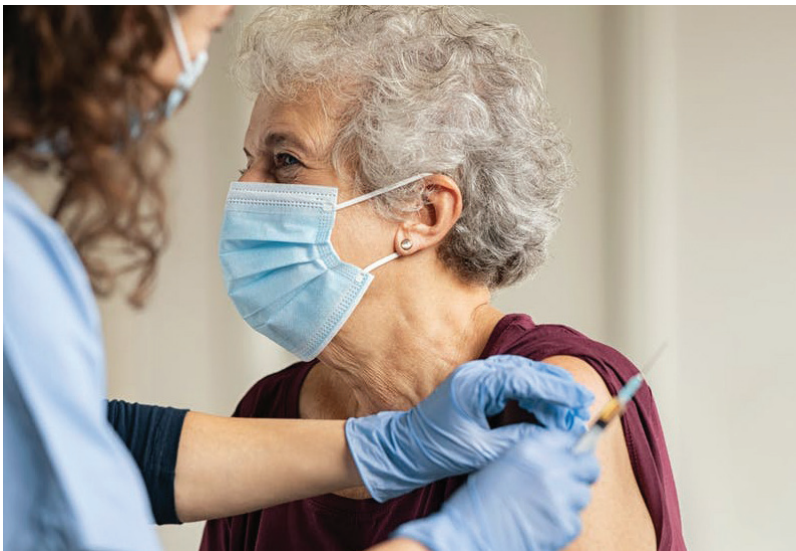
Global regulators and disclosure standard setters are increasingly seeking non-financial sustainability reporting from publicly traded companies and investors alike. The Sustainable Finance Disclosure Regulation (SFDR) in the European Union imposes mandatory ESG disclosure obligations for asset managers, although gaps in corporate disclosure remain a barrier to meaningful implementation. The Securities & Exchange Commission is considering mandatory disclosures related to human capital management and climate risk management. Proactive reporting of ESG risks, opportunities, and performance can mitigate the risks of rapidly evolving disclosure regulation.

Within the commercial banks sector, regional peers such as Pacific Premier Bank, Pacific Western Bank, Columbia Bank, and Banc of California have taken initiative and reported on sustainability risks, opportunities, and associated metrics. In contrast, Cathay General does not provide any discussion of material ESG risks and opportunities, let alone publish a sustainability report detailing performance against stated risks and opportunities.

1. <https://www.ga-institute.com/2021-sustainability-reporting-in-focus.html>

Health

CCR members view access to affordable health care as a human right. They press global pharmaceutical and healthcare companies to increase the access and affordability of medicine, and encourage food and beverage companies to create healthier product offerings to address under-nutrition and obesity. Since the start of the pandemic, they have also pressed pharma companies to adopt a collaborative approach to the development and distribution of COVID-19 therapeutics. Our members filed 23 health resolutions this year, up from last year's 13. The largest group of these (seven resolutions) focused on equitable access to COVID-19 products, of which three called for vaccine technology transfer. Five additional proposals raised pharma companies' anticompetitive practices, three dealt with the public health impacts of junk food sales and obesity, and two raised concerns regarding tobacco sales. A new group of four resolutions dealt with the public health impacts of antimicrobial resistance. Another new resolution dealt with artificial intelligence and implicit bias in health care. Several pharma companies also received resolutions calling for an independent Chair; these are discussed in the Corporate Governance section, which starts on p. 80.



Health

23

Proposal Topic

Quantity

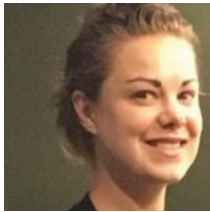
For the full list of investors who filed these resolutions, see p. 281.

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

Access to COVID-19 Products

In an effort to curb the spread of COVID-19, governments made large investments in global pharma companies to spur the development of breakthrough vaccines and medicine. These same pharma companies have been accused of profiteering amidst a global vaccine shortage and fueling global inequities in vaccine distribution. Investors want to ensure that any medical breakthroughs derived from the public's contribution will be priced in an accessible way that allows communities of all income levels to benefit equally.

ICCR members refiled resolutions with **Johnson & Johnson, Merck, and Pfizer**, asking them to disclose whether and how their receipt of public financial support for the development and manufacture of COVID-19 vaccines and therapeutics will be taken into account when making decisions that affect access to such products, such as sharing intellectual property through voluntary licenses or setting prices. This resolution was filed for the first time at **Moderna**.



Diana Kearney, Legal and Shareholder Advocacy Advisor — Oxfam America

Oxfam and co-filers have filed proposals at Moderna and Pfizer, asking the companies to study the feasibility of **transferring COVID-19 vaccine technology and know-how to manufacturers in low- and middle-income countries (LMICs)**. The companies' refusal to transfer mRNA technology is prolonging the COVID-19 pandemic. This not only preordains the unnecessary death and suffering of millions, but creates significant risk for investors.

First, hoarding mRNA technology harms any investor with a diversified portfolio. Leaving vast swathes of the population unvaccinated breathes life into the pandemic, fueling the emergence of variants and dragging down financial markets. Investors with diverse holdings will suffer from the continued economic havoc wrought by Pfizer's and Moderna's refusal to transfer technology.

Second, the reputational risk is clear: the *New York Times* has published disparaging headlines like "Moderna, Racing for Profits, Keeps Vaccine Out of Reach of Poor" while countless outlets have accused Pfizer of "bullying" poor states into grossly unfair contract terms. In addition to the slew of negative press, the companies' willingness to exploit the pandemic has been rebuked by members of Congress. Such widespread condemnation has serious implications for the companies' long-term shareholders.

Finally, Moderna and Pfizer are squandering their market lead: refusing to license mRNA technology to the 100+ manufacturers in LMICs that could produce the vaccine incentivizes manufacturers to develop their own mRNA technology. Rather than sharing technology in ways that guarantee they remain industry leaders in 2-3 years, Pfizer's and Moderna's refusal to license tech encourages competitors to emerge. This shortsightedness comes at the expense of long-term investors.

Anticompetitive Practices

Pharmaceutical companies frequently engage in a number of anticompetitive practices to prevent competition from generics manufacturers; these include creating unnecessary "patent thickets" around their drugs and engaging in "pay-for-delay" settlements. These activities negatively impact consumers, often resulting in higher prices, decreased access and poorer health outcomes.

Working in conjunction with Investors for Opioid and Pharmaceutical Accountability, investors filed resolutions calling on **AbbVie, Eli Lilly, Gilead and Pfizer** to report on how they oversee risks related to their anticompetitive practices, including their boards' roles in public policy activities.

COVID-19 Vaccine Technology Transfer

Even as the world recently passed 5.5 million COVID-19 deaths, global vaccine coverage has remained vastly inequitable, leaving billions of people in low- and middle-income countries vulnerable to the deadly virus, lengthening the duration of the pandemic, and allowing more deadly variants to emerge. In short, vaccine inequity mirrors and entrenches racial and economic inequities that exacerbate the gap between the world's haves and have nots.

Investors asked **Moderna and Pfizer** to analyze the feasibility of transferring intellectual property and technical knowledge to manufacturers located in low- and middle-income countries to speed vaccine production.

In addition, **Pfizer** received a second resolution that asked it to report on the public health costs of protecting COVID-19 vaccine technology.



Lydia Kuykendal, Director of Shareholder Advocacy — Mercy Investment Services

Investors recognize that the pharmaceutical sector strategy of expanding monopolies through **anticompetitive practices** such as high list prices, pay-for-delay deals to keep generics off the market, evergreening tactics to extend patent lives, and pricing collusion without any meaningful new science or innovation does not help create long-term value for companies or for shareholders. More importantly, anticompetitive conduct exacts a heavy cost on health systems and communities. Engaging in such practices presents legal, financial, regulatory, and reputational risks that, unmanaged, may threaten a company's social license to operate.

In fact, the Food and Drug Administration has focused on promoting competition as one way to moderate drug prices, issuing a Drug Competition Action Plan with policy guidance as well as a Biosimilars Action Plan. Further, the Federal Trade Commission (FTC) has focused on curbing anti-competitive conduct stating that “[f]or decades, the FTC has challenged a number of illegal anticompetitive practices in the pharmaceutical industry that can lead to high drug prices”.

This mounting pressure on industry could increase pressure for new regulation, increase risk for investors, and have substantial impacts on the public. We believe that robust board oversight would improve the industry's management of risks related to anticompetitive practices and that shareholders would benefit from more information about the board's role.

Public Health Costs of Antimicrobial Resistance

At least 700,000 people die annually from illness due to antimicrobial resistance (AMR) with a projected cumulative cost to the global economy of more than US\$80 trillion. Animal agriculture accounts for approximately two-thirds of global antibiotics use and the link between meat production and AMR is well-documented.

ICCR members filed resolutions on this critical topic with **Abbott Labs, Hormel Foods, McDonald's, and Yum! Brands**.

Public Health Costs of Food and Beverage Products

A recent NCD Alliance report found that food and drink manufacturers, including PepsiCo, have been capitalizing on the COVID-19 pandemic to increase consumption of unhealthful products. The unhealthful foods and beverages that constitute 79 percent of PepsiCo's product portfolio are among the top culprits in the growing global obesity epidemic.

Investors asked **PepsiCo** to publish a report on (1) the link between the public-health costs created by its food and beverage business and the company's prioritization of enterprise risk and (2) the ways in which such costs affect the market returns of its diversified shareholders.

Racial Justice and Food Equity

The COVID-19 pandemic has amplified the impacts of structural racism and inequality in the global food system, leading to higher rates of food insecurity and health disparities among communities of color.

Investors asked **Costco** to report on how it applies its sustainability commitment to its core food business to address the links between structural racism, nutrition insecurity and health disparities.

Access to COVID-19 Products

Merck & Co., Inc.

Similar resolutions were submitted to Johnson & Johnson, Moderna and Pfizer, Inc.

RESOLVED: Shareholders of Merck & Co, Inc. (Merck) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how the direct and indirect receipt of public financial support for development and manufacture of a therapeutic for COVID-19 is being, or will be, taken into account when making decisions that affect access to such products, such as sharing intellectual property through voluntary licenses or setting prices.

SUPPORTING STATEMENT: Merck is seeking emergency use authorization for molnupiravir, an antiviral medicine, to treat COVID-19.¹ Molnupiravir was developed at Emory University using up to \$35 million in US government funding from 2013 through 2020.² Emory was responsible for non-clinical testing, which enabled Ridgeback, during its short period of managing the drug, to receive FDA approval for human testing.³ After the drug was licensed to Ridgeback in March 2020, Ridgeback entered into a collaboration with Merck, which has taken over clinical development and manufacturing.⁴

US government funding is responsible for the discovery and development of molnupiravir.⁵ The government also maintains ‘march-in’ rights under the Bayh- Dole Act to grant patent licenses to other producers.⁶

Merck has promised to make the medicine widely available. Specifically, Merck states that ‘global access has been a priority’ for the company.⁷ However, Merck’s commitments have not been matched by the demand that the COVID-19 pandemic requires worldwide, nor shed light on how public support factors into decisions that affect access. Failure to meet delivery commitments and setting inaccessible prices could jeopardize the company’s reputation, and ultimately harm investor returns.

While Merck has signed bilateral licensing agreements and an agreement with the Medicines Patent Pool, those only cover an estimated half of the world’s population and exclude most upper-middle income countries most severely affected by COVID-19, including Brazil and Mexico.⁸ Merck is likely to apply a tiered pricing strategy for countries not included in the voluntary license.⁹ Tiered pricing for small molecule medicines usually results in unaffordable prices, especially for middle- income countries.¹⁰

Nor does Merck’s domestic pricing strategy reflect significant public support: producing molnupiravir costs an estimated \$20 per course,¹¹ while the company charges up to \$712 per course in the US, more than 35 times the cost of production.¹²

Merck does not explain how it addresses the relationship between investment in a product and its pricing and licensing strategy.¹³ It is unclear whether Merck could modify its pricing and licensing strategy in the context of a pandemic in which public support has contributed significantly to the development and commercialization of products. This Proposal seeks to fill this gap by asking Merck to explain whether and how the significant contribution to its products by public entities affects, or will affect, decisions that could affect access, such as setting prices or setting the scope of its voluntary licenses.

1. <https://www.merck.com/news/merck-and-ridgebacks-investigational-oral-an...-of-hospitalization-or-death-by-approximately-50-percent-compared-to-placebo-for-patients-with-mild-or-moderat/>
2. <https://www.wabe.org/emory-researchers-think-they-have-a-drug-to-fight-...>; <https://www.washingtonpost.com/business/2020/06/11/coronavirus-drug-rid...>; <https://www.keionline.org/36648>
3. <https://www.washingtonpost.com/business/2020/06/11/coronavirus-drug-rid...>
4. <https://www.businesswire.com/news/home/20200526005229/en/>
5. <https://www.keionline.org/36648>
6. <https://www.keionline.org/36648>
7. <https://www.merck.com/news/merck-and-ridgeback-statement-on-positive-fd...-investigational-oral-antiviral-molnupiravir-for-treatment-of-mild-to-moderate-covid-19-in-high-risk-adults/>
8. <https://msfaccess.org/license-between-merck-and-medicines-patent-pool-g...-19-drug>
9. <https://www.merck.com/news/merck-and-ridgeback-statement-on-positive-fd...-investigational-oral-antiviral-molnupiravir-for-treatment-of-mild-to-moderate-covid-19-in-high-risk-adults/>
10. https://www.researchgate.net/publication/51712884_A_win-win_solution_A_critical_analysis_of_tiered_pricing_to_improve_access_to_medicines_in_developing_countries
11. <https://scholar.harvard.edu/melissabarber/publications/estimated-cost-b...-treatment-covid-19>
12. <https://www.nytimes.com/2021/10/27/health/covid-pill-access-molnupiravi...>
13. <https://www.merck.com/wp-content/uploads/sites/5/2021/08/Merck-Access-t...-2021.pdf>

Covid19 Vaccine Technology Transfer

Moderna

Widespread vaccination is critical to achieving herd immunity and preventing the development of more transmissible and vaccine-resistant variants. Vaccine administration has been strikingly unequal. As of October 21, 2021, high-income countries have administered 134 doses, while low-income countries have administered only four doses, per 100 residents.¹ Vaccine inequity could cost the global economy over \$2 trillion.²

Moderna touts its agreement to sell 500 million doses to COVAX,³ and 110 million doses to the African Union.⁴ This is insufficient compared to global need. High-income countries account for a larger share of doses shipped by Moderna than any other manufacturer.⁵

Independent estimates indicate that Moderna will miss its 2021 production target of one billion doses by 33%. To ensure equitable access, Moderna should transfer the intellectual property and know-how associated with its vaccines to allow manufacture in low- and middle-income countries. Pressure, including by the U.S. government, is intensifying on Moderna to make such transfers.⁶

Moderna has committed not to enforce its COVID-19 vaccine patents during the pandemic,⁷ but other manufacturers cannot produce Moderna's vaccine quickly without full technology transfer, including know-how regarding the manufacturing process. An effort to replicate Moderna's vaccine by the World Health Organization's mRNA Vaccine Technology Transfer Hub, which was recently established to facilitate technology transfer,⁸ has stalled because Moderna has not responded to requests to share know-how.⁹

Though CEO Stephane Bancel has said other companies would take 12 to 18 months to produce Moderna's vaccine,¹⁰ quicker production is possible with full technology transfer: Lonza began producing it within six months after the transfer was announced.¹¹ Moderna's former director of chemistry estimates that modern factories could start manufacturing mRNA vaccines within a few months if sufficient know-how is transferred.¹² The New York Times has identified ten emerging market manufacturers that can produce the vaccine.¹³

Moderna has not yet selected a country for its announced African mRNA vaccine plant, and Bancel has said that it would take two to four years to construct and validate. Thus, it will not ameliorate current supply challenges.

We believe backlash from Moderna not sharing information needed to manufacture its vaccine in low- and middle-income countries could tarnish its reputation, threaten its social license to operate, and undermine relations with the U.S. government. We urge Moderna to analyze the feasibility of providing know-how to qualified manufacturers that could independently increase supply and help end the pandemic.

1. <https://ourworldindata.org/covid-vaccinations> (last visited Oct. 22, 2021)

2. <https://www.cnn.com/2021/08/27/vaccine-inequality-could-cost-the-global-economy-trillions-report.html>

3. <https://investors.modernatx.com/news-releases/news-release-details/our-global-commitment-vaccine-access>

4. <https://www.reuters.com/world/africa/exclusive-african-union-buy-up-110-million-moderna-covid-19-vaccines-officials-2021-10-26/>

5. [s://www.nytimes.com/2021/10/09/business/moderna-covid-vaccine.html](https://www.nytimes.com/2021/10/09/business/moderna-covid-vaccine.html)

6. <https://endpts.com/as-pressure-to-share-technology-mounts-biotech-selects-rwanda-for-latest-vaccine-site/>; <https://www.nytimes.com/2021/09/22/us/politics/covid-vaccine-moderna-global.html>

7. <https://investors.modernatx.com/news-releases/news-release-details/our-global-commitment-vaccine-access>

8. <https://www.who.int/news-room/articles-detail/establishment-of-a-covid-19-mrna-vaccine-technology-transfer-hub-to-scale-up-global-manufacturing>

9. <https://www.news24.com/news24/Africa/News/covid-19-who-backed-vaccine-hub-for-africa-to-copy-modernas-shot-20210914>

10. <https://www.nature.com/articles/d41586-021-02383-z>

11. <https://jamanetwork.com/journals/jama/fullarticle/2781756>

12. <https://www.project-syndicate.org/onpoint/big-pharma-blocking-wto-waiver-to-produce-more-covid-vaccines-by-joseph-e-stiglitz-and-lori-wallach-2021-05>; <https://www.devex.com/news/where-are-we-on-covid-19-after-a-year-of-trips-waiver-negotiations-101795>

13. <https://www.nytimes.com/interactive/2021/10/22/science/developing-country-covid-vaccines.html>

Covid19 Vaccine Technology Transfer

Pfizer, Inc.

There is broad agreement that widespread vaccination is critical to achieving herd immunity and preventing the development of more transmissible and even vaccine-resistant variants. Despite that consensus, vaccine administration has been strikingly unequal. As of October 21, 2021, high-income countries have administered 134 doses per 100 residents, while low-income countries have administered only 4 doses per 100 residents.¹ An August 2021 report estimated that vaccine inequity could cost the global economy over \$2 trillion and spur [b]outs of social unrest.²

Pfizer touts its philanthropy, including pledging to provide 40 million doses to global vaccine access initiative COVAX at a not-for-profit price.³ Many experts believe, however, that philanthropy alone cannot ensure equitable access; instead, patent-holders must transfer the intellectual property associated with their vaccines, as well as the knowledge necessary to make them, to allow manufacture in low- and middle-income countries. Pressure is intensifying on COVID-19 vaccine makers, including Pfizer, to make such transfers promptly, to address supply shortfalls.⁴ More than 140 Nobel laureates and former heads of state,⁵ 110 U.S. Representatives,⁶ the European Parliament,⁷ and hundreds of civil society groups⁸ urged President Biden to support waiving the World Trade Organization's intellectual property rules, countering Pfizer's assertion that intellectual property rights are not a barrier to vaccine access.⁹

Pfizer CEO Albert Bourla argues it would take years to transfer the mRNA vaccine technology to another company.¹⁰ But Lonza began producing Moderna's mRNA vaccine within six months after the planned technology transfer was announced.¹¹ Suhaib Siddiqi, former Moderna director of chemistry, estimates that many modern factories should be able to start manufacturing mRNA vaccines within a few months if sufficient know-how is transferred.¹² The World Health Organization's mRNA Vaccine Technology Transfer Hub was recently established to facilitate technology transfer, prequalify potential manufacturers, and train personnel.¹³

The agreement Pfizer and BioNTech entered into with Biovac in July 2021 for sterile fill and finish of the mRNA vaccine falls short of what's needed to promote vaccine equity. Although doses produced under the agreement will be allocated to African countries, the arrangement does not allow Biovac to develop the expertise required to manufacture the vaccine's active ingredient or to make other mRNA vaccines to ensure adequate supply in future pandemics.¹⁴ Similarly, because construction will not begin on BioNTech's planned Rwandan manufacturing facility until mid-2022, and production capacity will ramp up gradually, it will not ameliorate near-term supply challenges.

1. <https://ourworldindata.org/covid-vaccinations> (last visited Oct. 22, 2021)

2. <https://www.cnn.com/2021/08/27/vaccine-inequality-could-cost-the-global-economy-trillions-report.html>

3. https://www.pfizer.com/news/hot-topics/albert_bourla_on_ensuring_equitable_access_to_covid_19_vaccines

4. <https://endpts.com/as-pressure-to-share-technology-mounts-biontech-selects-rwanda-for-latest-vaccine-site/>; <https://www.nytimes.com/2021/09/22/us/politics/covid-vaccine-moderna-global.html>

5. https://www.unaids.org/en/resources/presscentre/featurestories/2021/september/20210914_waive-intellectual-property-rules-for-covid-vaccines

6. https://schakowsky.house.gov/sites/schakowsky.house.gov/files/TRIPS%20Waiver%20Letter_FINAL_May.pdf

7. <https://fortune.com/2021/06/10/covid-vaccine-patent-waiver-european-parliament-commission-wto/>

8. <https://msfaccess.org/letter-civil-society-organisations-us-president-biden-trips-waiver-covid-19-medical-tools>

9. E.g., <https://endpts.com/pfizer-calls-proposed-ip-waiver-for-covid-vaccines-a-distraction-from-finding-real-solutions-on-access/>

10. <https://www.ft.com/content/e9e0d3e9-b684-4846-a385-01c9fcfd1457>

11. <https://jamanetwork.com/journals/jama/fullarticle/2781756>

12. <https://www.project-syndicate.org/onpoint/big-pharma-blocking-wto-waiver-to-produce-more-covid-vaccines-by-joseph-e-stiglitz-and-lori-wallach-2021-05>; <https://www.devex.com/news/where-are-we-on-covid-19-after-a-year-of-trips-waiver-negotiations-101795>

13. <https://www.who.int/news-room/articles-detail/establishment-of-a-covid-19-mrna-vaccine-technology-transfer-hub-to-scale-up-global-manufacturing>

14. <https://msfaccess.org/covid-19-vaccines-pfizer-biontech-and-biovac-fill-and-finish-deal-step-right-direction-much-more>

Public Health Costs of Protecting Vaccine Technology

Pfizer, Inc.

RESOLVED, shareholders ask that the Board of Directors commission and publish a report on (1) the public health costs created by the limited sharing of the Company's COVID-19 vaccine technologies and any consequent reduced availability in poorer nations and (2) the manner in which such costs may affect the market returns available to its diversified shareholders.

SUPPORTING STATEMENT:

A recent headline emphasizes the financial rewards accruing to the Company for being an early developer of a COVID-19 vaccine: Pfizer Stock Leaps after Q3 Earnings Beat; Sees \$36 Billion in COVID Vaccine Sales.¹

But while the Company is boosting earnings with vaccine sales, many countries struggle to obtain vaccines for their most susceptible communities. The imbalance in COVID-19 vaccination between rich and poor countries is striking: As of early September 2021, more than 50 percent of U.S. and European Union populations were fully vaccinated, compared with just 3 percent of Africa's population.²

This vaccine inequality is caused in part by the enforcement of patents and limitations on technology transfer designed to prevent competition.³ Civil society and government leaders—including U.S. President Biden—have called for waivers of intellectual property rights to vaccine technology. Human rights organization Oxfam has called for governments and corporations to suspend patent rules and openly share technology.⁴ Some argue that such moves would disincentivize investment and lead to low-quality vaccines, but others have exposed the weaknesses in these arguments.⁵ The Company has not been neutral in this debate; it supports a trade group that lobbies against patent waivers.⁶

To the extent our Company is increasing its own financial returns by preventing vaccine production in poorer nations, its own increased profits are coming at a severe cost to the global economy, because failure to vaccinate the world's vulnerable communities is inhibiting worldwide economic recovery and creating opportunities for more dangerous SARS-CoV-2 variants to develop.

This is a bad trade for most of the Company's shareholders, who are diversified and thus rely on broad economic growth to achieve their financial objectives. A Company strategy that increases its own financial returns but threatens global GDP is counter to the best interests of most of its shareholders: the potential drag on GDP created by hoarding vaccine technology will directly reduce diversified portfolio returns over the long term.⁷

Despite this risk, the Company has not disclosed any analysis of the trade-offs between Company profit and global public health from the perspective of its largely diversified shareholders, whose investment portfolios may be at grave risk from undue limitations on vaccine production.

The requested report will help shareholders determine whether current Company policies serve shareholders' best interests.

1. <https://www.thestreet.com/markets/pfizer-tops-q3-earnings-sees-36-billi...>

2. <https://www.cnn.com/2021/09/07/who-says-wealthy-nations-are-prolonging...-treatments-and-vaccines.html> (citing World Health Organization).

3. *Supra*, n.2.

4. <https://www.oxfam.org/en/take-action/campaigns/covid-19-vaccine>

5. <https://inthesetimes.com/article/pfizer-moderna-vaccine-apartheid-trips...>

6. <https://www.msn.com/en-us/news/other/big-pharma-lobbyists-launch-campai...-patent-waiver/ar-AAKBxDs>

7. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Anticompetitive Practices

Pfizer, Inc.

Similar resolutions were submitted to AbbVie, Eli Lilly and Company and Gilead Sciences, Inc.

RESOLVED that shareholders of Pfizer Inc. (Pfizer) ask the board of directors to report to shareholders on how it oversees risks related to anticompetitive practices, including whether the full board or board committee has oversight responsibility, whether and how consideration of such risks is incorporated into board deliberations regarding strategy, and the board's role in Pfizer's public policy activities related to such risks. The report should be prepared at reasonable expense and should omit confidential or proprietary information, as well as information about existing litigation and claims of which Pfizer has notice.

SUPPORTING STATEMENT: The anticompetitive practices of companies within the pharmaceutical supply chain, including drug developers such as Pfizer, are receiving increasing scrutiny from the public, regulators, and enforcers. The criticism of Pfizer has focused on the company's establishment of patent thickets around its drugs to prevent generic competition, some of which have resulted in massive price hikes for everyday consumers.¹

Regulators and enforcers are increasingly focused on curbing this type of behavior. In May, then-acting Chairwoman of the Federal Trade Commission (FTC) Rebecca Kelly Slaughter stated that [f]or decades, the FTC has challenged a number of illegal anticompetitive practices in the pharmaceutical industry that can lead to high drug prices. The Commission should consider ways to build on this work by addressing emerging and evolving practices that have the potential to harm consumers.² Furthermore, upon confirmation, newly appointed FTC Chair Lina Kahn quickly moved to direct FTC staff to ramp up investigations based on seven enforcement priorities, including healthcare and pharmaceutical companies.³

Separately, the company recently agreed to pay a \$345 million antitrust litigation settlement surrounding its EpiPen production. There, the plaintiffs, who included insurers, pension funds, and other consumers, claimed that Pfizer had engaged in anticompetitive marketing practices that led to unlawful price hikes.⁴ In addition, Pfizer is currently involved in litigation with Teva Pharmaceutical, which claims that Pfizer engaged in patent litigation solely to delay the introduction of Teva's generic epinephrine injectable.⁵

The mounting pressure on Pfizer from regulators, enforcers, and market participants against the company's anticompetitive practices can increase pressure for new regulation, increase risk for investors, and have substantial impacts on the public. Given the widespread concern and rapidly changing environment, we believe that robust board oversight would improve Pfizer's management of risks related to anticompetitive practices and that shareholders would benefit from more information about the board's role.

1. Overpatented, Overpriced: How Excessive Pharmaceutical Patenting is Extending Monopolies and Driving up Drug Prices, I-MAK, 2019 (<https://www.i-mak.org/wp-content/uploads/2019/01/i-mak.overpatented.overpriced.report.0801.pdf>).
2. Statement Of Acting Chairwoman Rebecca Kelly Slaughter in the Matter Regarding the Federal Trade Commission's Report to Congress on Rebate Walls, Fed. Trade Comm'n (May 28, 2021) (<https://www.ftc.gov/public-statements/2021/05/statement-acting-chairwoman-rebecca-kelly-slaughter-regarding-federal>).
3. Brennan, Zachary, Pharma in the crosshairs: How the FTC is expanding its antitrust powers under its new chair, Endpoints News, July 2, 2021 (<https://endpts.com/pharma-in-the-crosshairs-how-the-ftc-is-expanding-its-antitrust-powers-under-its-new-chair/>).
4. Kansteiner, Fraiser, Pfizer antes up \$345M to settle long-running EpiPen antitrust claims as Viartis case moves ahead, Fierce Pharma, 16 July 2021 (<https://www.fiercepharma.com/pharma/pfizer-antes-up-345m-to-settle-long-running-epipen-antitrust-claims>).
5. Id.

Public Health Costs of Antimicrobial Resistance

Hormel Foods Corp.

RESOLVED, shareholders ask that the board commission and disclose a study on the external environmental and public health costs created by the use of antibiotics in our company's (Hormel) supply chain and the manner in which such costs affect the vast majority of its shareholders who rely on a healthy stock market.

Hormel says in its 2021 Antibiotic Stewardship Report that building social value and creating economic value are not competing goals, and that it never use[s] medically important antibiotics for growth promotion, feed efficiency or weight gain.

However, Hormel is a conventional Delaware corporation, so that directors' duties emphasize Hormel and its shareholders, strictly as defined by Hormel's internal financial returns to shareholders—even when such returns undercut those same shareholders' broader portfolio returns. Accordingly, when the financial return of Hormel to its shareholders and the interests of broader society and the economy clash, the directors must choose shareholder return. (Hormel could become a public benefit corporation¹ to prevent this.)

For Hormel, this may lead to overuse of antibiotics in raising livestock to increase profit, despite increasing antimicrobial resistance (AMR), or the ability of diseases to resist antibiotics. In addition to the resulting loss of life and increased poverty, AMR may decrease global GDP by 3% by 2030, and by almost 4% by 2050.² At an intermediate discount rate, this will amount to economic losses by 2050 with a current value of \$54 trillion.

Hormel does not report such external costs and consequent economic harm to its supply chain. This information is essential to shareholders, who are almost all broadly diversified. Indeed, as of November 2020, the top three holders of our shares are Vanguard, BlackRock, and State Street—investment managers with indexed or otherwise broadly diversified investors.

Such shareholders and beneficial owners are materially harmed when companies impose external costs that lower GDP, which reduces equity market values.³ While Hormel may profit by ignoring externalized costs, diversified shareholders ultimately pay these costs, and they have a right to ask what they are.

Hormel's prior disclosures and prior shareholder proposals do not address this issue, because they do not address the public health costs Hormel imposes on shareholders as diversified investors who must fund retirement, education, public goods, and other critical social needs. This is a separate social issue of great importance. A study would help shareholders determine whether to seek a change in corporate direction, structure, or form to better serve their interests.

1. 8. Del. Code Section 361.

2. <http://documents1.worldbank.org/curated/en/323311493396993758/pdf/final...>

3. See, e.g., <https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-ca...-valuation-indicator> (total market capitalization to GDP is probably the best single measure of where valuations stand at any given moment) (quoting Warren Buffet).

Public Health Costs of Antimicrobial Resistance

Abbott Laboratories

RESOLVED, shareholders ask that the Board of Directors commission and publish a report on (1) the public health costs created by Company decisions not to invest additional resources in slowing the growth of antimicrobial resistance (AMR), (2) market barriers to such additional investment, and (3) the manner in which increasing AMR may affect financial market returns available to its diversified shareholders.

SUPPORTING STATEMENT:

AMR is the phenomenon of pathogens becoming resistant to antibiotics, antifungals, and other antimicrobial drugs over time. Resistance can be accelerated by the overuse, misuse, or unavailability of antimicrobials and by manufacturing processes that do not protect the surrounding environment from contamination. AMR is a serious and growing problem: at least 700,000 people die annually from drug-resistant illnesses and AMR is on track to kill up to 10 million people a year by 2050, with a cumulative cost to the global economy of more than US\$80 trillion.¹

The Antimicrobial Resistance Benchmark (ARB), a respected program that rates major pharmaceutical companies on measures taken to slow AMR, recently scored our Company as having achieved 21 of 40 possible points, leaving room for considerable additional investment in prevention.² The ARB lists numerous opportunities for the Company to do more, including ensuring supply in countries where access to medicine is limited, expanding its environmental risk strategy, decoupling sales incentives for antimicrobials, and improving its brochures and packaging.³

However, in its most recent earnings call, the Company did not discuss AMR at all, focusing instead on reducing manufacturing costs and increasing sales, in contrast to the ARB's recommendations to preserve antimicrobial efficacy by spending more on mitigating environmental contamination and reducing antimicrobial sales incentives.⁴

This narrow focus on improving Company financial metrics in the face of the AMR crisis does a disservice to our shareholders: the effect of Company practices on public health is more important to its mostly diversified investors than are its profit margins. (More than 20 percent of the Company's shares are held by Vanguard, BlackRock, and State Street—investment managers with indexed or otherwise broadly diversified investors.) Such shareholders and beneficial owners lose financially when companies in their portfolios boost internal returns with practices that lower broad economic performance, because equity market values rise and fall in proportion to GDP.⁵

While the Company may profit by ignoring externalized costs such as AMR, diversified shareholders ultimately pay these costs, and they have a right to ask what they are. A study would help shareholders determine whether to seek a change in corporate direction, structure, or form to better serve their interests.

1. <https://www.globalpointofcare.abbott/en/knowledge-insights/viewpoints/a...>

2. <https://accesstomedicinefoundation.org/amr-benchmark/report-cards/abbot...>

3. <https://accesstomedicinefoundation.org/amr-benchmark/report-cards/abbot...>

4. <https://www.marketbeat.com/earnings/transcripts/65172/>

5. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Public Health Costs of Antimicrobial Resistance

McDonald's Corp.

A similar resolution was submitted to Yum! Brands, Inc.

RESOLVED, shareholders ask that the board commission and publish a report on (1) the link between the public-health costs created by the use of antibiotics in the Company's supply chain and McDonald's prioritization of enterprise risk and (2) the manner in which such costs may affect the market returns available to its diversified shareholders.

SUPPORTING STATEMENT:

At least 700,000 people die annually due to antimicrobial resistance (AMR), the phenomenon of pathogens becoming resistant to antibiotics and other antimicrobials. The death toll may rise to 10 million by 2050.¹ The 2021 YUM! Antimicrobial Resistance Report² (Yum Report) identifies AMR as among the 21st century's main threats, noting:

[T]he World Bank estimates a global GDP shrinkage of 3.8% [due to AMR], with direct costs reaching over \$3 trillion USD, annually... However, even high-AMR scenarios may reflect an underestimation of the true costs of AMR because of the challenges in calculating second order effects

Misuse of antimicrobials in animal husbandry accelerates resistance. The Yum Report notes the link between producing meat and AMR, finding that agriculture and livestock settings account for approximately two-thirds of global antibiotics [use] and that many factors point to alternative practices that can decrease the need for excessive antibiotic use in animal husbandry.

While the Company says it is reducing antibiotic use,³ McDonald's addresses environmental and social issues like AMR only to the extent that doing so optimizes its financial returns. In describing its approach to such issues, McDonald's says it identifies and addresses a broad range of risks that can directly or indirectly impact the organization.⁴ By only addressing risk to the enterprise, McDonald's prioritizes financial returns over threats to public health, so that it can continue to profit from conduct that creates such threats, so long as doing increases financial returns. Nowhere does the Company suggest that it will surrender any long-term financial returns if necessary to preserve the efficacy of antibiotics.

But a gain in profit that comes at the expense of public health is a bad trade for most McDonald's shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. A strategy that increases Company financial returns but threatens global GDP is counter to the interests of most McDonald's shareholders: reducing GDP will directly reduce long-term returns of diversified portfolios.⁵

This proposal requests a report on the trade-offs McDonald's makes by prioritizing enterprise risk over risks to public health from the perspective of its largely diversified shareholders.

The requested report will help shareholders determine whether current Company policies serve shareholders' best interests and whether McDonald's should prioritize AMR over financial returns.

1. <https://www.who.int/publications/i/item/no-time-to-wait-securing-the-fu...>

2. <https://www.yum.com/wps/wcm/connect/yumbrands/41a69d9d-5f66-4a68-bdee-e60d138bd741/Antimicrobial+Resistance+Report+2021+11-4+-+final.pdf?MOD=AJPERES&CVID=nPMkceo>

3. <https://corporate.mcdonalds.com/corpmcd/en-us/our-stories/article/ourst...>

4. <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/impact-s...-and-stakeholder-engagement.html>

5. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

External Public Health Impact Disclosure

Coca-Cola Company

RESOLVED: Shareholders ask the Board of The Coca-Cola Company (the Company or Coke) to commission and disclose a report on the external public health costs created by the Company's food and beverage businesses and the manner in which such costs may affect its diversified shareholders, whose ability to meet their financial goals depends primarily on overall market returns rather than the relative performance of individual companies.

SUPPORTING STATEMENT

The Harvard University School of Public Health reports that sugary drinks, such as those our Company makes, constitute a major public health problem:

Americans consume on average more than 200 calories each day from sugary drinks – four times what they consumed in 1965 – and strong evidence indicates that our rising thirst for liquid candy has been a major contributor to the obesity and diabetes epidemics...

Research shows that sugary drinks are one of the major determinants of obesity and diabetes, and emerging evidence indicates that high consumption of sugary drinks increases the risk for heart disease, the number one killer of men and women in the U.S.¹

The World Health Organization quantifies the social burdens of obesity as equivalent to nearly 3% of global GDP.² This cost, year-after-year, devastates economic growth. Thus, even if sales of sugar-laden products may benefit Coke's short-term financial results, they are bad for most of Coca-Cola's long-term shareholders – who don't just own Coke, but rely on a growing economy to support their diversified portfolios. As Warren Buffet, Chair of Berkshire Hathaway – our Company's largest shareholder – points out: GDP is the greatest proxy for diversified portfolio value.³

Investors in Coke are at risk from the public health costs the Company imposes on society. While Coke itself may profit by ignoring public health costs, diversified shareholders will ultimately pay these costs and have a right to know what they are.

Instead of being transparent about the damage it is causing, Coke works to obscure the relationship between its products and the public health crisis to which it contributes. A recent study that analyzed internal Company documents found:

Coca-Cola sought to obscure its relationship with researchers, minimise the public perception of its role and use these researchers to promote industry-friendly messaging.⁴

Indeed, Coke continues its efforts to grow the categories that deliver sugar: On a recent earnings call, the Company's Chair and CEO celebrated the tremendous value created for the Company by its investment in Monster, a clearly unhealthy drink choice.⁵

A study involving these external public health costs would help shareholders determine whether to seek changes that could better serve their long-term interests.

THEREFORE: Please vote FOR Proposal 4 [# to be assigned]: an External Public Health Impact Disclosure report.

1. www.hsph.harvard.edu/nutritionsource/healthy-drinks/beverages-public-health-concerns

2. www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf

3. See, e.g., https://archive.fortune.com/magazines/fortune/fortune_archive/2001/12/10/314691/index.htm (total market capitalization to GDP is probably the best single measure of where valuations stand at any given moment) (quoting Warren Buffet).

4. www.cambridge.org/core/journals/public-health-nutrition/article/evaluating-cocacolas-attempts-to-influence-public-health-in-their-own-words-analysis-of-cocacola-emails-with-public-health-academics-leading-the-global-energy-balance-network/03A12A2379B132AFBDBE7A462ECB4041

5. <https://universityhealthnews.com/daily/nutrition/is-monster-bad-for-you-3-things-you-need-to-know/> (The extreme acidity, high caffeine, and added stimulant content of these beverages can cause rapid heartbeat, high blood pressure, dehydration, vomiting, cardiac arrhythmias, seizures, headaches, insomnia, and have been linked to several deaths.)

Racial Justice and Food Equity

Costco Wholesale Corp.

RESOLVED: Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, describing if, and how, Costco applies its Sustainability Commitment to its core food business to address the links between structural racism, nutrition insecurity, and health disparities. The report may include systems Costco has in place to address racial justice and food equity concerns through product development, marketing, and distribution.

WHEREAS: The COVID-19 pandemic amplified the impacts of structural racism and inequality in the food system, leading to higher rates of food insecurity and health disparities among communities of color.¹ As the fifth largest food retailer in the United States, Costco has an opportunity to use its leverage to advance racial justice and nutrition equity objectives through its core business.²

While Costco's Sustainability Commitment includes an ambition to make a positive contribution to the health of the communities where we do business and Costco's corporate philanthropy objectives include economic development in communities of color, it is not evident whether these same principles are applied to Costco's food business model.³

Costco publishes sustainability goals for its food products that address social and environmental impacts in the supply chain, however, these goals do not include any explicit targets for increasing access to healthy food in the communities where it operates, which is a salient issue for Costco and an important consideration for product development.⁴ Costco is lagging peers in this area. For example, Walmart publishes an explicit commitment on increasing access to healthier and more affordable food.⁵

Costco's approach to marketing is unique in that it does not invest in traditional advertising in order to keep product costs low; however, the company still communicates to its members through targeted direct mail with sales promotions, email marketing, and in-store sampling. Investors lack information about the extent to which Costco is prioritizing healthy food products or addressing racial disparities in access to nutrition when it makes decisions about how to promote different grocery products and food court offerings in its warehouses. With the exception of a healthy shopping tips webpage, Costco's messaging consistently focuses on product cost and quality without addressing nutrition.⁶

Costco's diversity, equity, and inclusion (DEI) policy and CEO statements on the death of George Floyd do not include a commitment to addressing racial equity impacts of its core business.⁷ The company faced controversy for punishing employees for wearing Black Lives Matter apparel⁸ and was sued by a couple for \$4 million for being racially profiled while shopping at Costco,⁹ incidents that show misalignment with Costco's DEI commitment. Costco received only 25 out of 100 possible points in As You Sow's Racial Justice S&P 500 Scorecard, resulting in an overall rank of 114th out of 500 companies total and 12th out of 32 companies in the consumer staples sector.

1. https://hungerandhealth.feedingamerica.org/wp-content/uploads/2021/02/FA_Spotlight-Black-Community_LR-1.pdf

2. <https://nrf.com/resources/top-retailers/top-100-retailers/top-100-retailers-2021-list>

3. <https://www.costco.com/sustainability-communities.html>

4. <https://www.costco.com/sustainability-kirkland-signature.html>

5. <https://corporate.walmart.com/esgreport/esg-issues/safer-healthier-food-other-products#metrics>

6. https://customerservice.costco.com/app/answers/detail/a_id/829/~/what-is-costcos-mission-statement-and-code-of-ethics%3F;
<https://www.costco.com/my-life-healthy-food.html>

7. <https://www.costco.com/inclusion.html>; <https://www.costco.com/ceo-message.html>

8. <https://www.buzzfeednews.com/article/briannasacks/costco-black-lives-matter-masks-dress-code>

9. <https://prattwilliams.com/couple-sues-costco-4m-racial-profiling-case/>

Effect of Junk Food Sales on Diversified Portfolios

CVS Health Corp

RESOLVED, shareholders ask that the board commission and publish a report on (1) the link between the public-health costs created by the Company's food, beverage, and candy business and its prioritization of financial returns over its healthcare purpose and (2) whether such prioritization threatens the returns of diversified shareholders who rely on a productive economy to support their investment portfolios.

SUPPORTING STATEMENT:

The Company's website emphasizes health:

Our purpose:

Helping people on their path to better health.

This purpose is belied by the unhealthful foods, beverages, and candy that feature prominently on the Company's store shelves,¹ which are among the top culprits in the obesity epidemic.² In its quest for sales, the Company is willing to force customers with type-two diabetes or hypertension to run a gauntlet of sugar and salt to obtain their prescriptions.

The World Health Organization assesses the unpriced social burdens of obesity as almost three percent of global GDP.³ Yet the Company does not disclose any methodology to address the public-health costs of its front-store business, which promotes consumption of chips, soda, cookies, and candy. This is a good strategy for growing profits: on a recent earnings call, the CEO highlighted strong revenue growth in the category that includes these items: Front store sales [showed] revenue growth of 13%. . . . with . . . volume increases across most front store categories.⁴

But it is a bad strategy for putting people on a better path to health:

The point of purchase is the setting where people are challenged to either follow through on their long-term goals to stay healthy or are tempted to buy and consume foods that will increase the risk of weight gain, hypertension, diabetes, and cancer.⁵

Promoting junk food isn't only bad for customers—it hurts most of the Company's owners as well because a gain in revenue that comes at the expense of public health is a bad trade for most Company shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. A strategy that increases Company financial returns but contributes to obesity runs counter to the interests of most Company shareholders: a reduction in GDP created by public-health costs reduces diversified portfolio returns over the long term.⁶

This proposal asks the Board to commission a report that analyzes the trade-offs the Company makes by prioritizing its financial returns over public-health risks and the global economy, taking the perspective of its diversified shareholders, whose portfolios are at risk from public-health threats.

The report will help shareholders determine whether Company policies serve their best interests and whether the Company should prioritize certain public-health issues over financial returns.

1. <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2021/youngcvs032221-14a8.pdf>

2. <https://www.hsph.harvard.edu/nutritionsource/healthy-drinks/sugary-drinks/>

3. <https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf>

4. <https://www.fool.com/earnings/call-transcripts/2021/11/03/cvs-health-cvs-q3-2021-earnings-call-transcript/>

5. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5406228/>

6. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Public Health Costs of Food and Beverage Products

PepsiCo, Inc.

RESOLVED, shareholders ask that the board commission and publish a report on (1) the link between the public-health costs created by PepsiCo's food and beverage business and PepsiCo's prioritization of enterprise risk and (2) the manner in which such costs affect the market returns available to its diversified shareholders.

SUPPORTING STATEMENT:

PepsiCo says it is making it easier for consumers to choose foods and beverages that are good for themselves and good for the planet,¹ yet the unhealthful foods and beverages that constitute 79 percent of PepsiCo's product portfolio² are among the top culprits in the growing global obesity epidemic.

A recent report found that food and drink manufacturers, including PepsiCo, were capitalizing on the COVID-19 pandemic to increase consumption of unhealthful products. For example, an initiative depicted as 'PepsiCo Gives Back' ... served as a marketing opportunity linking a nutrition project and a leading antipoverty agency directly with the promotion of sugar-sweetened beverages and unhealthy [sic] snack foods.³

The World Health Organization assesses the unpriced social burdens of obesity as equaling almost 3 percent of global GDP annually.⁴ This cost, year after year, is devastating to economic growth. Yet PepsiCo does not disclose any methodology to address the public-health costs of its business.

It appears PepsiCo only addresses nutrition when that pursuit optimizes its internal financial return. In describing its approach to nutrition-related risk, PepsiCo says it leverage[s] an integrated enterprise risk management framework.⁵ This prioritization of risks to the enterprise, rather than risks to public health, means that PepsiCo only addresses nutritional issues that threaten its ability to generate profits. The Company does not prioritize risks to the global community, so that PepsiCo can continue to profit from conduct that threatens public health so long as it does not create risk for the company itself.

But a gain in Company profit that comes at the expense of public health is a bad trade for most PepsiCo shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. A Company strategy that increases its own financial returns but threatens global GDP is counter to the interests of most PepsiCo shareholders: the potential drag on GDP created by public-health costs will directly reduce diversified portfolio returns over the long term.⁶

This proposal asks the Board to commission a report that analyzes the trade-offs PepsiCo makes by prioritizing enterprise risk over risks to public health and the global economy from the perspective of its largely diversified shareholders, whose investment portfolios may be at grave risk from public-health threats.

The requested report will help shareholders determine whether current Company policies serve shareholders' best interests and whether PepsiCo should prioritize certain public-health issues over financial returns.

1. <https://www.pepsico.com/esg-topics-a-z/nutrition>

2. <https://accesstonutrition.org/index/global-index-2021/scorecards/pepsico...>

3. https://ncdalliance.org/sites/default/files/resource_files/Signalling%20..._FINALv.pdf

4. <https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs...-short.pdf>

5. <https://www.pepsico.com/docs/album/esg-topics-policies/nutrition-risk-m...>

6. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

AI Fairness, Accountability and Transparency

Cerner Corporation

WHEREAS: Systemic social and racial inequities exist in the American healthcare system. Disparities in life expectancy, chronic disease prevalence, and access to care in minority communities are significant. The COVID-19 pandemic has illuminated these differences as Black, Latinx, and Indigenous communities experience higher rates of hospitalization and death.

Artificial intelligence and machine learning are increasingly applied in healthcare settings to direct care and allocate resources. These technologies offer novel benefits, but also risk exacerbating discrimination facing marginalized groups. Algorithms reflect patterns and implicit biases of the environments they are created in. Disparities in access to and interaction with the healthcare system experienced by certain populations are likely to be reflected in algorithmic systems trained on historical assumptions and datasets.¹ Medical algorithms have been found to overlook or work less accurately when used on patients of color.²

Companies developing and using artificial intelligence, including in clinical settings, face pressure to ensure their products do not contribute to injustices. The United Nations³ and World Health Organization⁴ urge transparency and accountability regarding use of algorithmic decision-making. The UN Guiding Principles on Business and Human Rights is the global authoritative framework on companies' responsibility to respect human rights – of which racial equity is inextricable – throughout their value chains. Frameworks addressing transparency and fairness are emerging and being used to inform companies and regulators.⁵ In response, leading companies, including Microsoft and Philips, have established principles for the responsible use of artificial intelligence and are taking action to uphold their commitments.

Cerner develops software utilizing artificial intelligence, including clinical decision support and data analytics tools. It acknowledges the potential risks described above, but has not sufficiently demonstrated policies, processes, and governance structures to identify and address actual and potential impacts within its business activities. By proactively addressing algorithmic fairness, accountability, and transparency in its operations and products, Cerner can mitigate reputational, regulatory, and financial risk, strengthen trust with customers and community stakeholders, and contribute to a more equitable healthcare system.

RESOLVED: Shareholders request Cerner to publish a report assessing the racial equity impacts of the algorithmic systems used in its products and services. The report, prepared at reasonable cost and omitting proprietary information, should be published on the company's website.

SUPPORTING STATEMENT: Proponents suggest that the report include information on:

- Governance structures to implement and oversee fair, accountable, and transparent artificial intelligence systems that align with guidance and delineations of racial equity and human rights as set out by the UN, FDA, and/or other authoritative organizations;
- Policies, programs, and/or processes, including use of external audits or other validation tools, to evaluate existing and future products and services for bias or discrimination throughout their lifecycles, above and beyond legal compliance;
- Remediation processes if biased or discriminatory outcomes or disparate impacts are identified; and
- Input from stakeholders, including clinical artificial intelligence experts, diverse patient populations, and other affected communities.

1. <https://pubmed.ncbi.nlm.nih.gov/30128552/>

2. https://www.wsj.com/articles/researchers-find-racial-bias-in-hospital-algorithm-11571941096?mod=article_relatedinline, <https://www.statnews.com/2020/10/13/how-software-infuses-racism-into-us-health-care/>

3. <https://www.ohchr.org/EN/Issues/DigitalAge/Pages/cfi-digital-age.aspx>

4. <https://www.who.int/publications/i/item/9789240029200>

5. <https://www.chicagobooth.edu/research/center-for-applied-artificial-intelligence/research/algorithmic-bias>, <https://www.nist.gov/news-events/news/2021/06/nist-proposes-approach-reducing-risk-bias-artificial-intelligence>, <https://www.fda.gov/medical-devices/software-medical-device-samd/good-machine-learning-practice-medical-device-development-guiding-principles>

Public Health Costs Created by the Sale of Tobacco Products

Walgreens Boots Alliance

RESOLVED, shareholders ask that the board commission and disclose a report on the external public health costs created by the sale of tobacco products by our company (the Company) and the manner in which such costs affect the vast majority of its shareholders who rely on overall market returns.

The negative health and productivity impacts from consumption of tobacco products impose \$1.2 trillion in social damage; tobacco's unpriced social burden amounts to almost 3 percent of global GDP annually.¹

Smokers' heightened susceptibility to COVID-19 is certain to increase this disease burden significantly. According to the World Health Organization, [S]mokers are at higher risk of developing severe COVID-19 outcomes and death.²

Yet, in spite of the Company's positioning as a true health care company³ and public pronouncements regarding its commitment to health and wellness⁴ as well as the overwhelming evidence that tobacco - a known carcinogen that impairs respiratory function - significantly prejudices the health outcomes of smokers, particularly smokers infected with COVID-19, the Company continues to sell tobacco products in its stores.

These public health costs, year after year, are devastating to economic growth and further compound the financial devastation wrought by the COVID-19 pandemic. Yet the Company does not disclose any methodology to address the public health costs of its tobacco sales. Thus, shareholders have no guidance as to costs the Company is externalizing and consequent economic harm. This information is essential to shareholders, the majority of whom are beneficial owners with broadly diversified interests.

Our company has signed the Business Roundtable Statement on the Purpose of a Corporation, which reads, we share a fundamental commitment to all of our stakeholders... We commit to deliver value to all of them, for the future success of our companies, our communities and our country.

But the Company undermines that commitment and ultimately the interests of its diversified shareholders by not disclosing the social and environmental costs and risks imposed on stakeholders, even when these costs and risks threaten society, the economy and the performance of other companies. All stakeholders are unalterably harmed when companies impose costs on the economy that lower GDP, which reduces equity value.⁵ While the Company may profit by ignoring costs it externalizes, diversified shareholders will ultimately pay these costs, and they have a right to ask what they are.

The Company's prior disclosures and shareholder proposals do not address this issue, because they do not address the public health costs that the company's tobacco sales impose on shareholders as diversified investors who must fund retirement, education, public goods and other critical social needs. This is a separate social issue of great importance. A report would help shareholders determine whether these externalized costs and the economic harm they may create ultimately serve their interests.

1. https://www.cdc.gov/tobacco/data_statistics/fact_sheets/economics/econ_facts/index.htm

2. <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/question-and-answers-hub/q-a-detail/coronavirus-disease-covid-19-tobacco#>

3. Walgreens CEO Stefano Pessina on comparing strategy with CVS (cnbc.com)

4. <https://www.walgreensbootsalliance.com/about-us/living-our-values-vision-and-purpose>

5. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Phase Out Production of Health-Hazardous and Addictive Products

Philip Morris International

WHEREAS: In 2016, Philip Morris International (PMI) stated a commitment ‘to deliver a smoke-free future’, and that it is actively accelerating the decline of cigarette smoking beyond what can be achieved by traditional tobacco control measures alone.

PMI states on its website that smoking is harmful. Cigarette smoking causes diseases and is addictive.

PMI sells the world’s best-selling cigarette brand in Marlboro and sold over 620 billion cigarettes worldwide in 2020 – many in low- and middle-income countries where 80 percent of the world’s smokers live.

In July 2021, PMI said that it will stop selling cigarettes in the United Kingdom within the next decade.

In August 2021 PMI CEO Jacek Olzcak told the London Daily Mail that he had discussed selling PMI’s Marlboro business but decided to keep the business to help finance its growth in ‘wellness’ products.

In September 2021, PMI acquired Vectura Group Plc at a cost of \$1.9 billion. Vectura Group is a U.K.-based manufacturer of respiratory therapy devices such as inhalers and nebulizers that help people with asthma and lung diseases to breathe.

When PMI announced in July 2021 its intention to acquire Vectura, the presidents of the American Lung Association and American Thoracic Association issued a joint statement which said in part: We are deeply concerned that PMI will use the inhalation services technologies developed by Vectura to make their tobacco products more addictive. We are also deeply troubled that this company could further profit from the disease their products have caused by now selling therapies to the same people who were sickened by smoking PMI cigarettes. We also note, the proposed acquisition of Vectura by PMI creates a complex entanglement of conflicts of interest throughout the respiratory medicine supply chain that could undermine public confidence in essential medical products. It is clear this acquisition is not in the best interest of the public and lung disease patients, or even the medical drug and device industry.

After Vectura shareholders approved the acquisition Cancer Research UK’s chief executive Michelle Mitchell said, It’s ironic that a tobacco company wants to invest in the lung health industry when their products are the biggest preventable cause of cancer, including lung cancer. If PMI really wanted to help, they could stop aggressively promoting and selling their products altogether.

SUPPORTING STATEMENT: The Company states on its website that it is focused on our mission to one day stop selling cigarettes. Yet it lists as risk factors in its 2020 10-K actions to reduce smoking rates, such as restrictions on package design and smoking in public places. We believe PMI needs to decide what kind of company it wants to be, and set a timeline to end the production, promotion and sale of all its tobacco products.

Human Rights and Worker Rights (HR&WR)

Since its inception in 1971, ICCR’s members have worked to eradicate human rights abuses in corporate operations and supply chains, and to uphold the rights of workers. The pandemic has underscored the plight of workers worldwide and forced a long-overdue reckoning with the essential corporate provisions necessary to protect this critical stakeholder. With 59 proposals, human rights and worker rights-related filings were the fourth most active category this year up from 37 proposals in 2021.

2022 HR&WR proposals also addressed digital rights with tech companies, human rights due diligence, human rights risks in conflict-affected

areas, gun safety, child labor and forced labor — including in the Uyghur autonomous region in Xinjiang, China.

Worker Rights

As BlackRock’s Larry Fink wrote in his 2022 letter to CEOs, “No relationship has been changed more by the pandemic than the one between employers and employees.” Even as COVID-19 remains a serious public health threat, government protections meant to safeguard essential workers are already expiring. The “great resignation” and an uptick in unionization efforts illustrate workers’ growing frustration.

Consequently, this year there is a significant cluster of resolutions focused on **worker rights issues**, ranging from **paid sick leave** to employee

Human Rights and Worker Rights		59		
Proposal Topic	Quantity	Proposal Topic	Quantity	
<i>For the full list of investors who filed these resolutions, see p. 281.</i>				
Low Wages & Inequality	8	Ghost Guns	1	
Human Rights Impact Assessment	6	Government-Mandated Content Removal Requests	1	
Adopt Paid Sick Leave Policy	5	Human / Civil Rights Expert on Board	1	
Employee Misclassification	4	Human Rights Due Diligence	1	
Human Rights Risks of Financialization of Housing	3	Human Rights in Supply Chain - Farmworkers	1	
Inclusion of Employee Voices in Board Level Decisions	3	Human Rights Risks in Conflict-Affected and High-Risk Areas Policies	1	
Customer Due Diligence	2	No Business with Governments Complicit in Genocide - Myanmar	1	
Algorithm Disclosures	1	Performance Review of Audit and Risk Oversight Committee	1	
Assessing Effectiveness in Preventing Forced/Child/Prison Labor in Supply Chain	1	Rekognition – Facial Recognition Technology	1	
Assessment of Metaverse User Risk and Advisory Shareholder Vote	1	Report on Failures in Content Governance	1	
Board Oversight of Harmful User-Generated Content	1	Report on Forced Labor	1	
Child Sexual Exploitation Online	1	Risk Report on Staffing	1	
Data Operations in Human Rights Hotspots	1	Risks from Use of Temporary Workers	1	
Employee Turnover	1	Risks of Financing Nuclear Weapons	1	
End Child Labor in Cocoa Production	1	Third-Party Staffing Agencies and Collective Bargaining	1	
External Costs of Misinformation	1	Transparency Reports	1	
Freedom of Association	1	Uyghur Forced Labor Supply Chain Audit	1	
		Worker Health and Safety Audit	1	



Jonas Kron, Chief Advocacy Officer
— *Trillium Asset Management*

In 1999, Stanford professor Lawrence Lessig coined the phrase “code is law” as a useful shorthand to remind us that the choices of computer system designers have a profound ability to shape our society. The prescience of his phrase is quite obvious to us now as we regularly see the multitude of ways that decision makers at tech companies can influence so much of our lives.

But, while we already know how important it is to understand that “code is law” we are only at the beginning of understanding its implications in a world where the code being written is for **algorithmic systems, artificial intelligence, and machine learning** that are exponentially more powerful than the pop-up ads of 2001.

For investors, this has many implications, but one of them is whether algorithmic systems promote fairness, accountability, and transparency. Understanding this will be central to our ability to evaluate their utility and safety to society. Unfortunately, we don’t have enough information about what goes into these systems to be able to judge these social impacts and that is why Trillium filed a shareholder proposal at Alphabet asking the company to be more transparent.

In our proposal we point out that regulators in the US and the EU, civil society organizations, and academics are not only asking for more transparency, but are proposing guidelines for how to do that. Given this guidance from organizations like The Mozilla Foundation and researchers at New York University, we believe there is a good roadmap for tech companies and investors to follow.

misclassification, competitive employment standards, employee turnover, freedom of association, low wages and racial equity, inclusion of hourly employee voices on boards of directors, and risks from use of **temporary workers**.

Human Rights

A group of 2022 resolutions centered on the **human rights risks associated with big tech**. Apple, Alphabet, Amazon, Meta (Facebook) and Twitter all received resolutions. In addition to returning concerns such as **misinformation, facial recognition, and online child sexual exploitation materials**, new tech company resolutions cited **data operations in human rights hotspots**, and called for **disclosures regarding how algorithmic systems are used to target and deliver ads**.

Other new human rights resolutions this year include the **financialization of housing** (affordable housing), and the risks of the proliferation of **ghost guns**.





Sarah Couturier-Tanoh, Manager, Corporate Engagement and Advocacy, Shareholder Association for Research and Education (SHARE)

As businesses progressively return to their normal activities, America's labor-force participation rate remains below pre-pandemic levels. Quits are at a record high as workers have more confidence in their job prospects and transition from unemployment to employment has been particularly low.

Companies reliant on a precarious workforce including frontline and essential workers, low wage, people of color and lower-level employees seem to be the hardest hit by this phenomenon, often referred as the "Great Resignation."

For decades, investors advocated for **improved working conditions including higher wages and better benefits**. The health and economic challenges associated with the COVID-19 pandemic only intensified the need for change. While, many companies pledged to raise wages and improve benefits, only a minority intends to sustain those changes after the recovery.

Since the onset of the pandemic, frontline and essential workers proved how crucial they were for the society and the economy. They contribute to companies' success and to shareholders' long-term value. Therefore, they should not be considered as a cost to the business but as an asset in which companies should invest in.

In the past years, SHARE has been engaging several companies with a large employment footprint and a precarious workforce, including Restaurant Brands International and Amazon, to change the decent work narrative. Our proposals aim at elevating workforce issues at the board level and raising the standards for decent work practices.



Paid Sick Leave

More than 26 million U.S. workers have no access to paid sick days, and millions more cannot earn and use paid sick time to care for a sick child or family member, leaving them with an impossible choice when they are sick: stay home and risk their economic stability or go to work and risk their/the public's health.

Arguing that paid sick leave is a baseline benefit that should be available to all employees, a group of investors coordinated by ICCR has sent a letter to over 40 companies and filed shareholder proposals at **CVS, Kroger, Target, and TJX**.

The resolutions asked the four companies to adopt and publicly disclose a policy that all employees, part- and full-time, accrue some amount of PSL that can be used after working for a reasonable probationary period. This policy should not expire after a set time or depend upon the existence of a global pandemic.

Living Wage

The U.S. federal minimum wage for tipped workers is just \$2.13 an hour. Consequently, millions of service sector workers live below the poverty line. Investors this year have filed a number of resolutions addressing employment standards and a living wage.

Working with *One Fair Wage*, in 2021 ICCR launched a campaign to end subminimum wages in the service sector, filing resolutions with restaurant chains **Denny's** and **Dine Brands**, asking them to report on the feasibility of increasing tipped workers' starting wage to a full minimum wage, per state and federal levels, with tips on top.

Two resolutions filed by ICCR members at **Marriott** and **Tractor Supply** asked the companies to report on the costs of low wages and inequality and the risks that prioritizing financial performance over economic and social costs pose for diversified shareholders.

A third group of resolutions that focused on competitive employment standards noted the U.S. labor-force's pandemic-related record high job openings and low participation rates, and asked **Dollar Tree**, **Kroger**, and **Restaurant Brands** to consider adopting competitive employment standards, including competitive wages and benefits, particularly for their lowest paid employees.

Human Rights Risks of Financialization of Housing

Across the U.S. and Canada, housing developers have begun purchasing hundreds of thousands of single-family homes for the purposes of renting them at a profit and charging tenants undue rent increases. This financialization of housing is driving a crisis in affordable housing — both rental and owner — across the U.S. and Canada.

Arguing that housing is a basic and essential

human right, investors called on three Canadian banks — **Bank of Montreal**, **Royal Bank of Canada**, and **Toronto Dominion**, to assess and mitigate the human rights and reputational risks involved in the financialization of housing.

Assessment of Metaverse User Risk

In October of last year Facebook rebranded itself as Meta, announcing its intent to launch an immersive virtual world for socialization, shopping and work — the “metaverse.” Given Facebook's abysmal track record of addressing human and civil rights and privacy concerns, investors worry the metaverse project will generate substantial downsides and investment risk.

Investors asked Meta to seek an advisory shareholder vote on its metaverse project and publish a third-party assessment of the potential psychological, civil and human rights harms to users that could be caused by the use of its meta platform, including whether such harms can be mitigated or avoided, or are unavoidable risks inherent in the technology.

Employee Misclassification

The misclassification of workers as self-employed “independent contractors” when a company controls the manner and means of work and sets hours and wages frequently leads to worker rights violations including wage theft. All employees are legally entitled to a minimum wage, overtime pay, and other benefits which worker misclassification may disallow. Worker misclassification is a problem in several industries, particularly in trucking, and for gig economy companies, i.e. Uber and Lyft.

Investors filed resolutions with **Best Buy**, **Lowes**, **TJX** and **Urban Outfitters** calling for reports on the financial, reputational, and human rights risks resulting from the use in the companies' supply chains and distribution networks of companies that misclassify employees as independent contractors.

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 281.

Adopt Paid Sick Leave Policy

Amazon.com, Inc

Similar resolutions were submitted to CVS Health Corp., Home Depot, Inc., Kroger Co. and Target Corp.

WHEREAS: More than 26 million people working in the private sector have no access to earned sick time, or paid sick leave (PSL), for short-term health needs and preventive care.¹ Many working people in the United States face an impossible choice when they are sick: stay home and risk their economic stability or go to work and risk their health and the public's health.

The vast majority (77%) of the lowest earning 10% of American employees do not have access to PSL.² 48% of Latinx workers and 36% of Black workers report having no paid time away from work of any kind.³

As the COVID-19 pandemic has shown, PSL is a crucial contributor to public health, allowing workers who have been exposed to any illness to quarantine. State and local PSL mandates have been shown to reduce the rate at which employees report to work ill in low-wage industries where employers don't tend to provide PSL, lowering disease and overall absence rates.⁴

Amazon's current PSL policy is to follow local, city and state ordinances.⁵ Since 2006, 37 jurisdictions, including 14 states have adopted PSL laws. This leaves most jurisdictions still lacking a mandate.⁶ Proactively establishing PSL for all of Amazon's employees could help build employee satisfaction and brand credibility. Maintaining the current policy which delays action on PSL until jurisdictions pass a law could pose reputational risk, especially for Amazon which currently employs every 1 out of 153 workers in the US, dispersed across all fifty states.

Amazon could benefit from extending PSL coverage to all of its employees. The initial cost is relatively low--providing PSL is estimated to cost employers an average of 2.7 cents per hour of paid work⁷—and PSL both increases productivity⁸ and reduces turnover, which in turn reduces costs associated with hiring.⁹ This is particularly important for companies with a high percentage of lower-wage employees where turnover is highest.

We believe adopting a comprehensive, permanent, and public PSL policy would help make the future operating environment more equitable and mitigate reputational, financial, and regulatory risk to Amazon.

RESOLVED: shareholders of Amazon ask the company to adopt and publicly disclose a policy that all employees, part- and full-time, accrue some amount of PSL that can be used after working at Amazon for a reasonable probationary period. This policy should not expire after a set time or depend upon the existence of a global pandemic.

1. <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>

2. <https://www.wsj.com/articles/companies-expand-paid-sick-time-leave-11632413861>

3. <https://www.bls.gov/news.release/leave.t01.htm>

4. <https://voxeu.org/article/pros-and-cons-sick-pay>

5. https://www.amazon.jobs/en/landing_pages/pto-overview-us

6. <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/current-paid-sick-dayslaws.pdf>

7. https://www.nber.org/system/files/working_papers/w26832/w26832.pdf

8. <https://voxeu.org/article/pros-and-cons-sick-pay>

9. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5649342/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 281.

Increase Starting Wages

Denny's Corporation

A similar resolution was submitted to Dine Brands Global.

RESOLVED: that shareholders of Denny's Corporation (Denny's) request that the board of directors oversee the preparation of analysis, made publicly available, of the feasibility of increasing tipped workers' starting wage to a full minimum wage, per state and federal levels, with tips on top to address worker retention issues and economic inequities.

WHEREAS: the federal minimum wage of \$7.25 an hour and \$2.13 an hour for tipped workers is a course of economic instability, sexual harassment, and racial inequity for millions of workers.¹ The restaurant industry currently employs approximately 11.5 million workers.²

Substantial media attention has focused on the hiring crisis facing the restaurant industry. Latest turnover data from the Bureau of Labor Statistics illustrated 1.6 million open jobs in leisure and hospitality and a record of nearly a million people quitting.⁴ Denny's has been public about its hiring challenges.^{5,6,7} In May 2021, a One Fair Wage survey showed 53 percent of restaurant workers in the United States were considering leaving their jobs concerned about low wages and tips.⁸ 75 percent of restaurant operators report that recruiting and retaining employees was their top challenge, the highest level recorded in two decades.⁹

Paying a full minimum wage has financial benefits: higher average profits, organizational growth and reduced turnover, and employment growth and lower poverty rates among workers. Economic analysis shows that one-fair-wage states had stronger restaurant growth from 2011 to 2019 than states with a lower tipped minimum wage.¹⁰ Denny's Chief Financial Officer told investors that the California law raising the minimum wage to \$15, including for tipped workers, by 2024 has been good for the company's business on a 2021 earnings call.¹¹

One in six restaurant workers live below the poverty line. For tipped workers the poverty rate is 5.6 percentage points higher than for tipped workers in one-fair-wage states.¹² The 2020 Government Accountability Office report found 72 percent of wage-earning adults participating in Medicaid and the Supplemental Nutrition Assistance Program worked in one of five industries, including food service.¹³

In 2021, in every region of the United States, a single adult without children needs at least \$31,200 to achieve a modest but secure standard of living.¹⁴ According to Denny's proxy statement in 2020, the median of the annual total compensation of all employees, other than the Chief Executive Officer, was \$16,245. According to 2020 federal poverty threshold calculations, Denny's median total compensation is below the poverty threshold for all sizes of family units, except for individuals.¹⁵

As shareholders, we are concerned that payment of a subminimum wage contributes to ongoing economic inequities and hinders hiring and retention efforts that in turn negatively impact long-term success and growth, creating reputational and financial risks.

1. https://onefairwage.site/wp-content/uploads/2021/07/OFW_HelpWanted.pdf

2. <https://www.bls.gov/iag/tgs/iag722.htm>

3. https://onefairwage.site/wp-content/uploads/2021/02/OFW_DeclineHospBus_3.pdf

4. <https://www.bls.gov/news.release/jolts.a.htm>

5. <https://www.restaurantbusinessonline.com/financing/overnight-staffing-issues-keep-brake-dennys-sales>

6. <https://www.miamiherald.com/news/business/article253896243.html>

7. <https://www.fool.com/earnings/call-transcripts/2021/11/03/dennys-corp-denn-q3-2021-earnings-call-transcript/>

8. https://onefairwage.site/wp-content/uploads/2021/05/OFW_WageShortage_F.pdf

9. <https://restaurant.org/association-releases-mid-year-soi>

10. <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

11. <https://event.on24.com/wcc/r/2948606/1A8C8DE64B7C8C8A017992C52889F36E>

12. <https://www.epi.org/publication/restaurant-workers/>

13. <https://www.gao.gov/assets/gao-21-45.pdf>

14. <https://www.epi.org/publication/our-deeply-broken-labor-market-needs-a-higher-minimum-wage-epi-testimony-for-the-senate-budget-committee/>

15. <https://livingwage.mit.edu/articles/85-15-an-hour-isn-t-enough-u-s-workers-need-a-living-wage>

15. <https://www.census.gov/data/tables/2021/demo/income-poverty/p60-273.html>

Costs of Low Wages and Inequality

Marriott International, Inc.

RESOLVED, shareholders ask that the board commission and publish a report on (1) whether the Company participates in compensation and workforce practices that prioritize Company financial performance over the economic and social costs and risks created by inequality and racial and gender disparities and (2) the manner in which any such costs and risks threaten returns of diversified shareholders who rely on a stable and productive economy.

SUPPORTING STATEMENT: **Pay is inadequate, unequal and racially disparate.**

- The Company's starting wage for a housekeeper is \$12.00 per hour¹ and the average wage for the position is \$13.11.² By comparison, the national wage adequate for a modest one-bedroom accommodation is \$20.40.³
- In 2019, the Company CEO received compensation worth \$13,435,887—346 times the compensation of the Company's median worker.
- While the Company's U.S. workforce is 67 percent people of color, those groups make up only 21 percent of Company executives.⁴

Research reveals that inequality and racial disparity harm the entire economy.

- Income inequality slows U.S. economic growth by reducing demand by 2 to 4 percent.⁵
- A 1 percent increase in inequality leads to a 1.1 percent per capita GDP loss.⁶
- Gender and racial gaps created \$2.9 trillion in losses to U.S. GDP in 2019.⁷
- Eliminating racial disparity would add \$5 trillion to the U.S. economy over the next five years.⁸

The company's diversified shareholders are economically threatened by increased inequality and racial disparity.

The reduction in economic productivity caused by inequality and racial disparity directly reduces returns on diversified portfolios,⁹ and creates serious social costs that further threaten financial markets. For example, excessive inequality can erode social cohesion and heighten political polarization, leading to social instability.¹⁰ It also increases health costs and decreases the value of human capital, through links to more chronic health conditions developed earlier in life.¹¹

The Company has presumably chosen a wage structure that managers believe will increase margins and financial performance. But any gain in Company profit that comes at the expense of society and the economy is a bad trade for most Company shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by inequality and racial disparity will directly reduce long-term diversified portfolio returns.

This proposal asks the Board to commission a report that analyzes the tradeoffs the Company makes between financial return and the global economy and cohesion, and how those trade-offs affect diversified shareholders. Such a report would not require precision: identifying areas where the Company creates inequality and racial disparity and analyzing how they might manifest as costs or risks to diversified portfolios would help determine whether and when the Company should prioritize employee equality and welfare over financial returns.

1. <https://www.glassdoor.com/Hourly-Pay/Marriott-International-Housekeeper...>

2. <https://www.indeed.com/cmp/Marriott-International,-Inc./salaries/Housek...>

3. <https://livingwage.mit.edu/articles/61-new-living-wage-data-for-now-ava...>

4. https://www.marriott.com/marriottassets/Media/PDF/DEL_Infographic_May_2...

5. <https://www.epi.org/publication/secular-stagnation/>

6. <https://www.pionline.com/sponsored-content/facing-hard-truths-material-...>

7. <https://www.frbsf.org/our-district/files/economic-gains-from-equity.pdf>

8. <http://Tractor Supply.us/3olxWH0>

9. Ibid n. 5.

10. <https://www.imf.org/en/publications/fm/issues/2017/10/05/fiscal-monitor...>

11. <https://www.pionline.com/sponsored-content/facing-hard-truths-material-...>

Costs of Low Wages and Inequality

Tractor Supply Company

RESOLVED, shareholders ask that the board commission and publish a report on (1) whether the Company participates in compensation and workforce practices that prioritize Company financial performance over the economic and social costs and risks created by inequality and racial and gender disparities and (2) the manner in which any such costs and risks threaten returns of diversified shareholders who rely on a stable and productive economy.

SUPPORTING STATEMENT:

The Company's starting wage is \$11.25 per hour and its median employee was paid \$24,437, or 0.15% of the CEO's compensation. By comparison, the living wage was \$16.54 per hour, or \$34,404 per for a family of four (two working adults, two children) in 2019.¹ While the Company's workforce is 49 percent female and 17 percent minority, those groups make up only 21 percent and 5 percent of executive and senior management.

Research reveals that such inequality and racial disparity harm the entire economy:

Income inequality slows U.S. economic growth by reducing demand by 2 to 4 percent.² A 1% increase in inequality leads to a 1.1% per capita GDP loss.³ Gender and racial gaps created \$2.9 trillion in losses to U.S. GDP in 2019.⁴ Eliminating racial disparity would add \$5 trillion to the U.S. economy over the next five years.⁵

This drag on GDP directly reduces returns on diversified portfolios,⁶ and creates serious social costs that further threaten financial markets. For example, excessive inequality can erode social cohesion and heighten political polarization, leading to social instability.⁷ It also increases health costs and decreases the value of human capital, through links to more chronic health conditions developed earlier in life.⁸

By paying so many of its employees less than a living wage, the Company increases its margins and thus financial performance. But gain in Company profit that comes at the expense of society and the economy is a bad trade for most Company shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by inequality will directly reduce long-term diversified portfolio returns.

This proposal asks the Board to commission a report that analyzes the trade-offs the Company makes between financial return and the global economy and cohesion, and how those trade-offs affect diversified shareholders. Such a report would not require precision: identifying areas where the Company creates inequality and racial disparity and analyzing how they might manifest as costs or risks to diversified portfolios would help determine whether and when the Company should prioritize employee equality and welfare over financial returns

1. <https://livingwage.mit.edu/articles/61-new-living-wage-data-for-now-available-on-the-tool>

2. <https://www.epi.org/publication/secular-stagnation/>

3. <https://www.pionline.com/sponsored-content/facing-hard-truths-material-risk-rising-inequality>

4. <https://www.frbsf.org/our-district/files/economic-gains-from-equity.pdf>

5. <http://TractorSupply.us/3olxWHO>

6. Ibid n. 2.

7. <https://www.imf.org/en/publications/fm/issues/2017/10/05/fiscal-monitor-october-2017>

8. <https://www.pionline.com/sponsored-content/facing-hard-truths-material-risk-rising-inequality>

Starting Pay and Racial Equity

Walmart Stores, Inc.

RESOLVED: Shareholders of Walmart Stores, Inc. (Walmart) request that the Board of Directors oversee the preparation of a public report on whether and how Walmart's racial justice goals and commitments align with the starting pay for all classifications of Walmart associates.

SUPPORTING STATEMENT

Today, there is a radically increased focus on racial injustice, following protests over police killings of Black people and the disproportionate impact of the COVID-19 pandemic on people of color, including in the workplace. Workers of color make up a larger proportion of essential workers and are more likely to lose their jobs because of the pandemic.¹

In 2021, in every region of the United States, a single adult without children needs at least \$31,200 to achieve a modest but secure standard of living.² The fiscal 2021 annual total compensation of Walmart's median associate was \$20,942.³ There has been public support for the proposed Raise the Wage Act which would help eliminate poverty-level wages by raising the national minimum wage to \$15 an hour and positively impact approximately 4.7 million retail workers.⁴

Walmart is committed to advancing racial equity, including through the creation of the Center for Racial Equity, with a goal to help replace the structures of systemic racism, and build in their place frameworks of equity and justice that solidify our commitment to the belief that, without question, Black Lives Matter.⁵

More than 80 percent of Black Americans say it is very important for companies to pay a living wage.⁶ 48 percent of Walmart's hourly workers are people of color⁷ and the company acknowledges that the overwhelming majority of our associates say their hourly wage is the most important part of their pay.⁸

In 2020 and 2021, Walmart raised wages and expanded benefits for many of its hourly associates.⁹ However, Walmart stated in its 2021 proxy statement that only about half of its United States hourly associates will earn at least \$15 an hour, putting it behind an increasing number of retailer peers who have raised their starting wages to at least \$15 an hour. Walmart is cited as one of the top five employers with the largest estimated number of non-disabled, non-elderly adult Medicaid and Supplemental Nutrition Assistance Program enrollees.¹⁰

Walmart has not disclosed the types of positions or the demographic breakdown of its hourly associates by wage level, which would track progress towards their racial equity commitments. Given the high turnover rate of store associates and the current competitive market for retail workers,¹¹ we are concerned that this lack of transparency poses potential reputational and financial risks to our company.

Shareholders want to understand how Walmart is fulfilling its racial justice commitments by building equity for its associates through its wage structure.

1. <https://www.epi.org/publication/black-workers-covid/>

2. https://www.epi.org/publication/our-deeply-broken-labor-market-needs-a-higher-minimum-wage-epi-testimony-for-the-senate-_budget-committee/; <https://livingwage.mit.edu/m-ticles/85-15-an-hour-isn-t-enough-u-s-workers-need-a-living-wage>

3. <https://www.sec.gov/Archives/edgar/data/104169/000120677421001200/wmt3839531-def14a.htm#PROPOSALN06ReportonAlignmentofacialJusticeGoalsandStartingWages>

4. <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2025-would-lift-the-pay-of-32-million-workers/>

5. <https://corporate.walmart.com/newsroom/2020/06/12/advancing-our-work-on-racial-equity>

6. <https://justcapital.com/news/ceo-blueprint-for-achieving-racial-equity/>

7. <https://corporate.walmart.com/global-responsibility/culture-diversity-equity-and-inclusion>

8. https://www.wsj.com/articles/walmart-to-end-quarterly-bonuses-for-store-workers-11631190896?mod=hp_lead_pas11

9. <https://corporate.walmart.com/our-story/working-at-walmart>

10. <https://www.gao.gov/assets/gao-21-45.pdf>

11. <https://www.arkansasonline.com/news/2021/sep/30/walmart-on-hunt-for-more-workers/>

Freedom of Association

Amazon.com, Inc

RESOLVED: that shareholders of Amazon Inc. (Amazon) urge the Board of Directors to produce a report analyzing how Amazon's current human rights policies and practices protect the rightful application of the fundamental rights of freedom of association and collective bargaining as guaranteed by the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. The report should include information on whether, and if so how, input from affected stakeholders was taken into account. The report, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on the Company's website.

SUPPORTING STATEMENT: Freedom of association and collective bargaining are fundamental human rights protected by national and international legal standards including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights.

According to the ILO Freedom of association and collective bargaining permits workers and companies to attain beneficial and productive solutions to potentially conflictual relations between workers and employers and promotes peaceful, inclusive and democratic participation of representative workers' and employers' organizations. These intrinsically related fundamental human rights play an important role in democratic societies. Collective bargaining entities help facilitate and enhance the ability of their members to exercise core civil liberties.

Amazon recently enacted its Global Human Rights Principles, which states the Company's commitment to the UN Guiding Principles on Business and Human Rights. However, the company has not demonstrated how its human rights policies and practices protect workers' rights to freedom of association and collective bargaining. These rights are also guaranteed by the aforementioned instrument.

Over the past years, the Company has been subject to overwhelming negative media coverage in the U.S and internationally accusing the company of limiting these fundamental rights through anti-unionization tactics including allegations of intimidation strategies, retaliation actions and surveillance systems.

The misalignment between the Company's public commitments and these reports represents material reputational, legal and operational risks to its shareholders. Some shareholders have themselves come under scrutiny for investing in companies that are linked to human rights abuses, making effective due diligence on the company's human rights practices material to their investment choices.

Therefore, it is crucial for shareholders to understand how Amazon's human rights policy and practices align with the fundamental rights of freedom of association and collective bargaining. Greater transparency on these issues would help address concerns about the Company's reputation, clarify its commitment to basic human rights, and enable investors to perform their own human rights due diligence according with their fiduciary duty and protect long-term shareholder value.

Third-Party Staffing Agencies & Collective Bargaining

Dollarama

Schedule A

Dollarama discloses that the majority of its warehouse and distribution centre staffing needs are outsourced to “well-established third-party agencies”. Dollarama does not serve as employer to such staff, which are instead employees of the third-party staffing agencies. Dollarama states that it is not responsible for hiring or training such workers.

In its June 2021 ESG Report, Dollarama describes the need for relying on third-party agencies for its warehouse and distribution centre staffing needs:

The use of such agencies is integral to our business model in order to continuously maintain the significant staffing requirements of these un-automated operations, needs which fluctuate throughout the year based on sales volumes, and to fulfill positions that are subject to regular turnover due to the large number of entry-level positions.

Employment Practices of Leading Canadian Retailers

Leading Canadian retailers Loblaw, Metro and Canadian Tire clearly face the same fluctuating seasonal needs, yet none of them disclose using third-party staffing agencies to staff their warehouses and distribution centres. In fact, certain warehouse/distribution centres for Loblaw and Metro are unionized.

Further, each of Loblaw, Metro and Canadian Tire have vendor/supplier codes of conduct that require that suppliers allow their employees the lawful right to free association / collective bargaining.

Dollarama’s ESG Report addresses Dollarama’s focus on safeguarding human rights in its supply chain, and it states that Dollarama launched an enhanced vendor/supplier code of conduct in June 2021 which draws upon the UN Guiding Principles on Business and Human Rights (UNGPs). However, and interestingly, Dollarama’s enhanced vendor/supplier code of conduct does not require suppliers to respect their employees’ right to free association / collective bargaining.

Human Rights Risk and Third-Party Staffing Agencies

The leading centre of expertise on the UNGPs, Shift, together with the Institute for Human Rights and Business (IHRB), developed a guide for the implementation of the UNGPs by staffing agencies.

The guide states that staffing agency workers may have heightened vulnerability to adverse human rights impacts, particularly where “[t]hey cannot join a trade union at the user enterprise, and lack equivalent representation and collective bargaining ability in their relationship with the E&R [employment & recruitment] agency.”¹

The guide states that this “may lead to agency workers sometimes receiving lower wages and benefits than workers hired directly for the same jobs, non-payment of benefits, discrimination or the effective denial of freedom of association and collective bargaining rights.”

Furthermore, a 2016 report from the Director of Public Health for Montréal notes the risk of occupational injury is between “high” and “extreme” for temporary agency workers. Agency workers account for a higher proportion of injuries, and their occupational vulnerability causes them to hesitate to report occupational injuries and file for compensation.²

RESOLVED that, in light of the potential for adverse human rights impacts through the use of third-party staffing agencies, shareholders request Dollarama disclose whether it requires its suppliers, including its third-party staffing agencies, to respect their employees’ right to free association / collective bargaining, and if not, why not.

1. https://www.ihrb.org/uploads/reports/EC-Guide_ERA.pdf (page 31)

2. https://www.researchgate.net/publication/317622792_Invisible_Workers_Health_Risks_for_Temporary_Agency_Workers_2016_Report_of_the_Director_of_Public_Health_for_Montreal

Employee Turnover

Amazon.com, Inc

RESOLVED, shareholders request that Amazon.com, Inc. (Amazon or Company) report to shareholders on the Company's workforce turnover rates and the effects of labor market changes that have resulted from the coronavirus disease (COVID-19) pandemic. The report should assess the impact of the Company's workforce turnover on the Company's diversity, equity and inclusion. The report should be prepared at reasonable cost and omit proprietary information.

SUPPORTING STATEMENT Workers have been quitting their jobs at historically unprecedented rates as a result of the COVID-19 pandemic. A record 38 million workers in the U.S. quit their jobs between January 2021 and October 2021.¹ One survey showed that 1 out of 4 U.S. workers plan to leave their employer after the COVID-19 pandemic subsides, and another found that more than half of surveyed workers plan to look for a new job in 2021.² This labor market phenomenon has been called the Great Resignation or the Big Quit by many economic observers.

Even before the Great Resignation, workforce turnover has been an issue at Amazon. Before COVID-19, a report estimated that Amazon's annual turnover of its hourly associates was about 150 percent.³ During the pandemic, another report estimated Amazon's front-line turnover rate to be around 100 percent, which is more than double the retail and warehouse industry averages.⁴ Some Amazon managers reportedly hire to fire people to meet internal attrition goals.⁵

High workforce turnover creates challenges for the successful operation of any company. Employers must spend more time and resources on hiring and recruitment. Newly hired employees may need time to acquire the job specific training and experience that contributes to a high productivity workforce. And high workforce turnover can also work against diversity, equity and inclusion goals if the employer has difficulty retaining diverse employees.

We believe that the business challenges created by Amazon's workforce turnover are compounded by the fact that Amazon has a large and rapidly growing workforce. Amazon is the second largest private sector employer in the U.S. where 1 out of 153 workers is estimated to be an Amazon employee.⁶ High workforce turnover reportedly has led some Amazon executives to worry about running out of hireable employees in the U.S.⁷

In our opinion, high workforce turnover works against the goal of Amazon's founder Jeff Bezos to make Amazon the Earth's Best Employer.⁸ We believe the best way to reduce workforce turnover is to be an employer of choice that workers will choose when presented with other employment options. A report to shareholders on workforce turnover will provide shareholders with material information regarding Amazon's human capital management practices. For these reasons, we urge a vote FOR this proposal.

1. Business Insider, December 8, 2021, <https://www.businessinsider.com/how-many-why-workers-quit-jobs-this-year-great-resignation-2021-12>

2. HR Magazine, June 2, 2021, <https://www.shrm.org/hr-today/news/hr-magazine/summer2021/pages/reducingturnover.aspx>

3. New York Times, June 15, 2021, <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

4. Seattle Times, October 10, 2020, <https://www.seattletimes.com/business/amazon/amazons-turnover-rate-amidpandemic-is-at-least-double-the-average-for-retail-and-warehousing-industries/>

5. Business Insider, May 10, 2021, <https://www.businessinsider.com/amazon-managers-performance-reviews-hire-to-fire-internal-turnover-goal-2021-5>

6. Business Insider, July 30, 2021, <https://www.businessinsider.com/amazon-employees-number-1-of-153-usworkers-head-count-2021-7>

7. New York Times, June 15, 2021, <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

8. Amazon.com, April 15, 2021, https://www.sec.gov/Archives/edgar/data/1018724/000110465921050346/tm216818d2_ex99-1.htm

Include Non-Management Employees on the Board

Activision Blizzard, Inc.

RESOLVED, shareholders of Activision Blizzard, Inc. (Activision or the Company) urge the Board of Directors (the Board) to adopt a policy of nominating a director candidate who is selected by the Company's non-management employees (the Employee Representative Director Nominee). The Employee Representative Director Nominee shall be selected by non-management employees using an election process. Compliance with this policy shall be excused if the Employee Representative Director Nominee does not consent to serve on the Board or would cause the Company to violate any law, regulation, or stock exchange listing requirement.

SUPPORTING STATEMENT

Employee representation on boards of directors can contribute to long-term corporate performance in several ways. A non-management employee representative can result in better board decision-making by facilitating information sharing between the board and employees. Employees may be more productive and better motivated if they have a voice in the governance of the corporation. They may also be more willing to invest time and energy to develop firm-specific knowledge and experience that contributes to a high productivity workplace.

Employee board representation is common in Europe where over a dozen countries require some form of co-determination for private-sector companies. A recent academic study of co-determination in Germany did not find any negative profitability effects or detrimental changes in wages or investment levels resulting from employee representation on boards.¹ The Organisation for Economic Co-operation and Development (OECD) has also urged that [m]echanisms for employee participation should be permitted to develop.²

We believe that including an employee representative on Activision's Board will be particularly beneficial in light of recent allegations regarding sexual misconduct at the Company. Activision CEO Bobby Kotick reportedly had known for years about alleged sexual assault at the Company, but did not inform the Board.³ The Securities and Exchange Commission, Equal Employment Opportunity Commission, and California Department of Fair Employment and Housing have launched investigations into how Activision has handled these allegations.⁴

In our opinion, Activision can help repair its employees' trust in the governance of the Company by adopting this proposal. We also believe that adopting this proposal will contribute to a needed refreshment of the Board by adding an employee perspective to Board deliberations. Finally, it is our view that an employee Board representative will help hold management accountable for employees' concerns, including the prevention of workplace sexual harassment and assault.

For these reasons, we urge a vote FOR this proposal.

1. Simon Jäger, Benjamin Schoefer, Jörg Heining, Labor in the Boardroom, *The Quarterly Journal of Economics*, Volume 136, Issue 2, May 2021, Pages 669–725, <https://doi.org/10.1093/qje/qjaa038>.

2. OECD, G20/OECD Principles of Corporate Governance, 2015, <https://doi.org/10.1787/9789264236882-en>.

3. Kirsten Grind, Ben Fritz, Sarah Needleman, Activision CEO Bobby Kotick Knew for Years About Sexual-Misconduct Allegations at Videogame Giant, *The Wall Street Journal*, November 16, 2021, <https://www.wsj.com/articles/activision-videogames-bobby-kotick-sexual-...>

4. Kirsten Grind, Sarah Needleman, SEC Is Investigating Activision Blizzard Over Workplace Practices, Disclosures *The Wall Street Journal*, September 20, 2021, <https://www.wsj.com/articles/sec-is-investigating-activision-blizzard-over-workplace-practices-disclosures-11632165080>.

Inclusion of Employee Voices in Board Level Decisions

Starbucks Corp.

RESOLVED: Shareholders of Starbucks Corporation (Starbucks) urge the Board of Directors to prepare a report to shareholders describing opportunities for Starbucks to encourage inclusion of non-management employee voices in Board level decisions and how the Board intends to implement those opportunities.

SUPPORTING STATEMENT: Employee engagement and trust¹ are crucial to success. Starbucks experiences widely publicized incidents of employee dissent and dissatisfaction. Reputational damage, loss of key employees, and loss of good ideas are potential outcomes of inadequate employee voice, posing risks to shareholder value. Starbucks has no employee stock ownership plan to grow wealth and engagement² and Starbucks' CEO to median employee pay ratio is 1211:1.

Worker Voice and the New Corporate Boardroom³ found: Currently, workers have no formal role in American corporate governance. Worker insights rarely inform board-level decisions and the result is wasted potential that if captured, could benefit companies, workers, and society as a whole.

Companies with worker representatives on the board have a 16-21% increase in labor productivity, lower outsourcing, and 40-50% larger capital stock invested in fixed assets, such as machines or factories.

Chief Justice Strine and Kirby M. Smith wrote that expanding the compensation committee's perspective beyond executive compensation would make the committee think about the company's workforce as a whole and result in directors who have a better grasp on how human talent matters for the company's business strategy and operations. Chief Justice Strine separately proposed that boards be required to create workforce committees to address workforce issues, including ensur[ing] quality wages and fair worker treatment, at the board level.

The 2018 UK Corporate Governance Code calls on boards to consider workforce views. Options include directors appointed from the workforce, a formal workforce advisory panel or designating a director liaison with workers.⁴

Anticipated benefits include reduced turnover as empowered employees make firm-specific investments, better informed decision-making based on specialized knowledge, better monitoring of management with increased information channels, and reduced shareholder myopia since employees often take a longer-term view.⁵

Adding urgency is that directors generally do not monitor and are not sure they can do so effectively.⁶ Governance expert Nell Minow remarked: Usually directors at least pretend to acknowledge their legal obligation to provide oversight of CEOs on behalf of shareholders. This acknowledgment that directors see themselves as corporate cheerleaders instead of skeptics whose job is to push back, question, and insist on better is further proof that shareholders will need to support more Engine No. 1-style challenges.⁷ Including employee voices in Board decisions would reduce likely hedge fund challenges, since the Board would have additional inside information for more effective monitoring.

1. <https://www.edelman.com/trust/2021-trust-barometer/belief-driven-employee/new-employee-employer-compact>

2. https://smr.rutgers.edu/sites/default/files/rutgerskelloppreport_april2019.pdf

3. <https://www.aspeninstitute.org/publications/new-corporate-boardroom/>

4. <https://assets.kpmg/content/dam/kpmg/uk/pdf/2018/07/designated-NED.pdf>

5. <https://www.corpgov.net/2020/04/kokkinis-and-sergakis-employee-participation-in-uk-companies/>

6. <https://corpgov.law.harvard.edu/2021/09/02/corporate-directors-implicit-theories-of-the-roles-and-duties-of-boards/>

7. <https://valueedgeadvisors.com/2021/09/02/corporate-directors-say-its-not-their-job-to-monitor-ceo-study-bloomberg/>

Risks from Use of Temporary Workers

Exxon Mobil Corporation

RESOLVED: Shareholders of Exxon Mobil Corporation (ExxonMobil) urge the Board of Directors to report to shareholders by the 2023 annual meeting, at reasonable cost and excluding proprietary and personal information, on flaring events and the risk of industrial accidents that may arise from the use of temporary replacement workers.

SUPPORTING STATEMENT

The safe operation of ExxonMobil's facilities is of great importance to ExxonMobil shareholders. According to one academic study, each casualty resulting from a petrochemical industrial accident corresponds to a market capitalization loss of \$164 million, and that each toxic release corresponds to a loss of \$1 billion.¹ In our opinion, retaining an experienced workforce is a critical human capital management practice for ensuring the safe operation of petrochemical facilities.

This proposal seeks disclosure of human capital management information that relates to flaring events and the risk of industrial accidents. According to ExxonMobil, Flaring is used in various stages of exploration and production operations throughout the world, primarily as a safety measure to prevent the accumulation of gases that could pose a potential safety hazard.² For example, ExxonMobil's Beaumont, Texas refinery experienced an operational issue which required flaring on June 25, 2021.³

On May 1, 2021, ExxonMobil locked out approximately 650 workers at its Beaumont, Texas, refinery and its blending and packaging plant. During the lockout, ExxonMobil has operated these facilities at reduced capacity with temporary replacement workers. We believe that ExxonMobil's decision to operate these facilities with temporary replacement workers creates potential safety risks. In our view, temporary replacement workers lack the skill, training and experience of ExxonMobil's permanent workforce.

Flaring events and the risk of industrial accidents have a broad social impact on ExxonMobil's workforce, the communities that it operates in, and the environment. We are concerned that the use of temporary replacement workers may increase the risk of such incidents. For these reasons, we believe that ExxonMobil's Board of Directors should review the use of temporary replacement workers in ExxonMobil's operations and provide greater transparency by issuing a report to shareholders.

We urge you to vote FOR this shareholder resolution.

1. Gunther Capelle-Blancard and Marie-Aude Laguna, How does the stock market respond to chemical disasters?, *Journal of Environmental Economics and Management*, Volume 59, Issue 2, 2010, p. 192- 205, <https://doi.org/10.1016/j.jeem.2009.11.002>.
2. What is flaring, Frequently Asked Questions, ExxonMobil, <https://corporate.exxonmobil.com/Sustainability/Emissions-and-climate/F...>
3. ExxonMobil reports flaring at downtown Beaumont refinery, *Beaumont Enterprise*, June 26, 2021, <https://www.beaumontenterprise.com/business/article/ExxonMobil-reports-...-Beaumont-16276632.php>.

Hourly Employees on Board of Directors

Amazon.com, Inc

WHEREAS: Amazon has been publicly excoriated for mistreating workers – including criticism over dehumanizing working conditions, anti-union activities, and straining taxpayers by paying so little that employees must rely on food stamps.¹ Employees have described workplace conditions as hellish,² and the NY Times observes that during the pandemic, Amazon’s system burned through workers, resulted in inadvertent firings and stalled benefits, and impeded communication, casting a shadow over a business success story for the ages.³ Because protecting the company’s reputation and ability to retain its workforce affect shareholder value, Amazon must urgently address these issues. Worker representation on the Board will allow it to do just that, empowering the company to address employee concerns before they become headlines.

In addition to mitigating reputational risk, employee representation can promote value creation. According to the National Bureau of Economic Research, giving workers formal control rights raises capital formation and increases female representation.⁴ In Germany, the co-determination model of shared governance has been lauded as a check against short-termist capital allocation practices,⁵ and a study found that employee representation on boards generated a 25% spike in productivity and increased wages.⁶

There is growing recognition that employees on boards can contribute to a company’s long-term sustainability. Nearly one-third of Senate Democrats support an initiative led by Senators Baldwin and Warren which would codify employee representation on boards, as they urge that modern corporate governance should be accountable to and inclusive of a wider array of interests, notably employees.⁷ The UK recently adopted a rule mandating that boards engage with employees to enhance worker voice in the boardroom, which may include appointing a non-executive employee as director.⁸ Investors have also increasingly expressed support for workers on boards, filing proposals on this topic at fifteen companies during the 2021 AGM season.⁹ Even the business community has drawn similar conclusions: the Business Roundtable, which counts Amazon among its members, stated that investing in employees and communities offers the most promising way to build long-term value.¹⁰

Amazon’s board lacks representation from hourly employees, who thoroughly understand the company’s daily operations. Women and racial minorities, which constitute a large percentage of Amazon’s hourly associates, are also comparatively underrepresented at the board level, which remains predominantly male and white.¹¹

We urge shareholders to vote for this proposal.

1. https://d3n8a8pro7vhmx.cloudfront.net/rwdsu/pages/480/attachments/original/1543959297/Whats_Wrong_With_Amazon_-_website.pdf?1543959297; <https://time.com/5629233/amazon-warehouse-employee-treatment-robots/>
2. <https://nypost.com/2019/07/13/inside-the-hellish-workday-of-an-amazon-warehouse-employee/>
3. <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>
4. <http://economics.mit.edu/files/17273>
5. <https://prospect.org/labor/codetermination-difference/>
6. <https://www.govenda.com/blog/employee-representation-on-boards/>
7. <https://www.wsj.com/articles/companies-shouldnt-be-accountable-only-to-shareholders-1534287687>; <https://www.baldwin.senate.gov/press-releases/reward-work-act-2019>
8. <https://www.pinsentmasons.com/out-law/analysis/corporate-governance-employee-voice-workplace-reporting>
9. Recipient companies include Amazon, Walmart, Starbucks, Disney, Citigroup, among others.
10. <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>
11. <https://www.seattletimes.com/business/amazon/amazon-more-diverse-at-its-warehouses-than-among-white-collar-ranks/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 281.

Worker Health and Safety Audit

Amazon.com, Inc

RESOLVED: Shareholders of Amazon.com request that the Board of Directors commission an independent third-party audit on workplace health and safety, evaluating:

- productivity quotas,
- surveillance practices, and
- the effects of these practices on injury rates and turnover.

The audit should be conducted with input from employees, experts in workplace safety and surveillance, and other relevant stakeholders; informed by recent state legislation;¹ and address regulatory inquiry,² and media coverage.³ A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Amazon's website.

SUPPORTING STATEMENT: The recent pandemic has brought increased media and congressional scrutiny to the well-being of Amazon's essential workers.⁴ This scrutiny has extended to workplace conditions, safety, and the high employee turnover rate (recently estimated at 150%).⁵ While Amazon plans to incur several billion dollars of additional costs in response to its labor shortage, practices that contribute to high turnover continue: productivity quotas and worker surveillance that result in above-average injury rates.⁶ Numerous studies have found similar trends at Amazon, including:

In 2020 the serious injury rate at Amazon warehouses was nearly 80% higher than the warehouse industry average.⁷ Injuries at Amazon facilities were more severe than those at other warehouses.⁸ A recent case study found the equivalent of 1 in 9 workers at Amazon facilities was injured each year.⁹ Injury rates at Amazon warehouses increased during peak season.¹⁰ Amazon facilities with greater automated technology had above-average injury rates.¹¹ Surveyed Amazon workers cited constant surveillance as a cause of stress, anxiety, and depression.¹² Amazon temporarily suspended some productivity metrics in 2020, in response to the pandemic. That year saw the first decline in Amazon's injury rate in years.¹³

Workers and labor unions cite the above as motivating factors for organizing efforts at Amazon, and these concerns have brought significant scrutiny upon the company, including:¹⁴

15 U.S. Senators signed a letter calling on Amazon to address workplace health and safety issues linked to productivity rates.¹⁵ Public health organizations and over 200 public health practitioners called on Amazon to suspend productivity quotas and workplace surveillance.¹⁶ Washington state raised Amazon's worker compensation premium rates by 15% and proposed placing fulfillment centers in their own risk class.¹⁷

California passed a state bill regulating warehouse performance metrics.¹⁸

As Amazon strives to be the Earth's Safest Place to Work,¹⁹ a review is needed of the practices that have made the company a leader in workplace injuries and a target for criticism and regulation. With surveillance and productivity quotas linked to high injury rates, we urge Amazon to commission an independent audit of these practices to understand their impact on the company's employees and operations, and inform changes in practices that mitigate and prevent future harm.

1. <https://www.npr.org/2021/09/08/1034776936/amazon-warehouse-workers-speed-quotas-california-bill>; <https://inthesetimes.com/article/at-will-just-cause-employment-union-labor-illinois>; <https://www.bostonglobe.com/2021/10/07/opinion/massachusetts-has-chance-clean-up-our-national-privacy-disaster/>

2. <https://www.seattletimes.com/business/because-of-injury-claims-state-wants-amazons-automated-warehouses-to-pay-higher-workers-comp-premiums-than-meatpacking-or-logging-operations/>

3. <https://www.washingtonpost.com/technology/2021/06/01/amazon-osa-injury-rate/>

4. <https://www.nytimes.com/2021/12/01/podcasts/the-daily/amazon-pandemic-labor-shortage.html>

5. <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

6. <https://ir.aboutamazon.com/news-release/news-release-details/2021/Amazon.com-Announces-Third-Quarter-Results/default.aspx>

7. <https://thesoc.org/wp-content/uploads/2021/02/PrimedForPain.pdf>

8. <https://thesoc.org/wp-content/uploads/2021/02/PrimedForPain.pdf>

9. <https://s27147.pcdn.co/wp-content/uploads/Report-Injuries-Dead-End-Jobs-and-Racial-Inequity-in-Amazons-Minnesota-Operations-.pdf>

10. <https://revealnews.org/article/how-amazon-hid-its-safety-crisis>

11. <https://thesoc.org/wp-content/uploads/2021/02/PrimedForPain.pdf>

12. <https://humanimpact.org/wp-content/uploads/2021/01/The-Public-Health-Crisis-Hidden-In-Amazon-Warehouses-HIP-WWRC-01-21.pdf>

13. <https://thesoc.org/wp-content/uploads/2021/02/PrimedForPain.pdf>

14. <https://www.forbes.com/sites/laurendebter/2021/04/01/how-alabama-union-fight-could-change-amazon/>

15. <https://s3.documentcloud.org/documents/6772867/AmazonWorkerSafetyLetterFeb72020.pdf>

16. <https://humanimpact.org/wp-content/uploads/2021/11/Public-Health-Letter-to-Amazon-11-17-21.pdf>

17. <https://www.seattletimes.com/business/because-of-injury-claims-state-wants-amazons-automated-warehouses-to-pay-higher-workers-comp-premiums-than-meatpacking-or-logging-operations/>

18. <https://www.latimes.com/business/story/2021-09-08/california-bill-ab701-passes-senate-warehouse-work-metrics-algorithms-regulation>

19. https://s2.q4cdn.com/299287126/files/doc_financials/2021/ar/Amazon-2020-Annual-Report.pdf

Competitive Employment Standards, Including Wages and Benefits

Dollar Tree Stores

A similar resolution was submitted to Kroger.

RESOLVED: That shareholders of Dollar Tree Inc. ask the board of directors to analyze and report on risks to its business strategy in the face of increasing labor market pressure. The report should, at minimum, (1) explain how the Company's forward-looking strategy and incentives will enable competitive employment standards, including wages, benefits and employee safety and (2) include particular attention to its lowest paid employees across geographies.

WHEREAS: As countries recover from the Covid-19 pandemic, America's labor-force participation rate remains below pre-pandemic levels. In 2021, the U.S Bureau of Labor Statistics has recorded historic numbers of job openings—last day of October, that number reached 11 million.¹ Research shows that quits are at a record high.

Experts say that employment conditions, including low wages and benefits, are key factors driving the low participation rates. A report from Mercer² reveals that frontline workers, low wage, minority and lower-level employees are more likely to be looking to leave—at rates significantly higher than historical norms.

Employee recruitment and retention are publicly recognized challenges at Dollar Tree. In October 2021, the company reported, we are experiencing a shortage of associates and applicants to fill staffing requirements at our distribution centers and stores due to the current labor shortage affecting businesses. The same report articulates, the labor shortages at our distribution centers and stores has had and could have an adverse impact on the operating efficiency of our distribution centers and our ability to transport merchandise to and operate our stores, and could result in lower sales.³

Labor shortages are influencing a dynamic policy situation as the federal government, states and localities all reassess their minimum wage regulations. A large number of retailers have raised their minimum wage above legal minimums.⁴ While Dollar Tree lists increasing minimum wage laws as a risk to its business strategy, investors seek further clarity on how the company is assessing and responding to the evolving regulatory and competitive landscape to sustain long-term consumer and public trust.

Employee safety is an additional factor that could be driving labor challenges. Recent reports of ongoing crime and violence in Dollar Tree and Family Dollar stores⁵ is a concerning reputational risk. At this time, Glassdoor reports that only 44% of Dollar Tree employees would recommend the company to a friend.⁶ As investors, we seek additional disclosure around what the company is doing to establish employment standards that holds employee safety as a top concern.

Commitment is a core value of Dollar Tree and we seek to understand how the Company strategy supports this value with its employees while recognizing the current labor challenges.

1. <https://www.bls.gov/news.release/jolts.nr0.htm>

2. <https://www.mercer.us/content/dam/mercer/attachments/private/us-2021-inside-employees-minds-report.pdf>

3. https://www.sec.gov/ix?doc=/Archives/edgar/data/935703/000093570321000058/dltr-20211030.htm#i0a2fa380e8174e799e93468f813ea745_49

4. <https://www.yahoo.com/news/retail-chains-increased-minimum-wage-105832606.html>

5. <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

6. <https://www.glassdoor.com/Reviews/Dollar-Tree-Reviews-E4033.htm> (retrieved 12/21/2021)

Competitive Employment Standards, Including Wages and Benefits

Restaurant Brands International

RESOLVED: That shareholders of Restaurant Brands International (RBI) ask the board of directors to analyze and report on how its business strategy will be resilient in the face of increasing labour market pressure while sustaining shareholders' financial return and long-term value. The report should, at minimum, (1) explain how the Company's strategy, programs and incentives enable franchisees to adopt competitive employment standards, including wages and benefits and (2) demonstrate the effectiveness of its strategy through the disclosure of aggregated human capital performance indicators and information.

Supporting Statement: As countries recover from the Covid-19 pandemic, Canada and America's labour-force participation rates remain particularly low. In 2021, national statistics agencies recorded historic numbers of job vacancies—in October, that number reached 11 million in the U.S. and exceeded 1 million in November in Canada. Research shows that quits are at a record high as workers have more confidence in their job prospects and transition from unemployment to employment has been particularly low. This phenomenon is often referred to as the Great Resignation.

A study from the bank RBC anticipates labour shortages to become even more extensive in the future. However, experts say that employment conditions, including low wages and benefits, are key factors driving the increase of job vacancies. A report from Mercer reveals that frontline workers, low wage, minority and lower-level employees are more likely to be looking to leave—at rates significantly higher than historical norms.

Accommodation and food services are the sectors recording the largest increase of job openings. This trend is particularly concerning as the average turnover rate in the fast food industry has reached 150% in the U.S. The retention challenges the sector faces may adversely impact customer satisfaction, operational efficiency and restaurant profitability. Research indicates a high employee turnover rate may increase labour expenses as it can cost an employer approximately one-third the amount of an employee's yearly earnings just to replace a lost worker.

RBI has a recruitment and retention problem. Company emails leaked to the press in November 2021 revealed that several Tim Hortons restaurants are facing a hiring crisis.

Jose Cil, CEO of the Company acknowledged that attracting and retaining great talent for its restaurants represent a big priority for [...] franchisees all around North America. However, in contrast with many employers that decided to improve wages and benefits to attract and retain a skilled workforce, RBI has not explained how its business strategy enables franchisors to compete effectively in a constricted labour market.

Franchisors' inability to establish competitive working conditions and successfully attract and retain an operational workforce may threaten their ability to achieve their productivity goals and financial objectives, and negatively impact shareholders' long-term value. Therefore, it is critical for shareholders to understand how RBI intends to support franchisors – which operate 95% of the Company's branded operations – in navigating the uncertainties of the shifting labour market through the adoption of competitive employment standards, including wages and benefits.

Employee Misclassification

Best Buy Co., Inc.

Similar resolutions were submitted to Lowes, TJX Companies, Inc. and Urban Outfitters, Inc.

RESOLVED: Best Buy Co. Inc.'s (Best Buy) Board of Directors should prepare a report on the financial, reputational, and human rights risks resulting from the use in the Company's supply chain and distribution networks of companies that misclassify employees as independent contractors. The report should be prepared at reasonable cost, omitting proprietary information and be available at least 90 days prior to the 2023 annual shareholders meeting.

SUPPORTING STATEMENT:

Best Buy's Supplier Code of Conduct says its suppliers must ensure Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Best Buy's 2021 Environmental Social and Governance Report explains that these principles are aligned with the United Nations Guiding Principles on Business and Human Rights.

Nonetheless, Best Buy's existing standards and disclosures fail to address an issue affecting reputational and financial risks and human rights concerns.

Supply chain disruptions are major challenges facing retailers amid the COVID-19 pandemic. Exacerbating this is the fact some of the trucking companies used by retailers may misclassify their drivers as independent contractors rather than employees. Retailers using these companies can be directly liable for those companies' violations.

It is illegal for a company to misclassify workers as self-employed independent contractors if the company controls the manner and means of work, sets hours and wages, and otherwise treats them as employees, who are entitled to a minimum wage, overtime pay protections, and other benefits and rights guaranteed employees under law. The forgone wages amount to wage theft.

Misclassification is a significant problem as some trucking companies misclassify drivers hauling goods from U.S. ports.

Following an award-winning, investigative series by USA Today, the paper's editorial board compared exploitive independent contractor arrangements at southern California ports to modern day ... indentured servitude, prompting four U.S. Senators to demand major retailers cut ties with trucking companies showing such a brazen disregard for ... workers' safety and rights. The southern California ports process 40% of all U.S. shipping container traffic.

The California Labor Commissioner's office has over the past decade awarded more than \$50 million to misclassified port drivers. According to a 2014 report by the National Employment Law Project, the Californian port trucking industry is potentially liable for \$850 million in wage theft each year from misclassification. (<https://www.nelp.org/wp-content/uploads/2015/03/Big-Rig-OverhaulMisclassification-Port-Truck-Drivers-Labor-Law-Enforcement.pdf>)

Misclassification risk extends to retailers, given recent Californian legislation. A 2021 law, SB 338, indicates there could be 16,000 misclassified drivers in California's ports and calls this largely immigrant workforce the last American sharecroppers. The law makes customers of port trucking companies jointly liable for future violations of labor, employment, and health and safety law by a trucking company that the California Labor Commissioner's office has publicly identified as having previously violated these laws.

Risk Report on Staffing

Amazon.com, Inc

RESOLVED, that shareholders of Amazon.com, Inc. (Amazon or the Company) ask the Board of Directors to oversee the preparation of a report, at reasonable cost and omitting confidential and proprietary information, on the risks to the Company related to ensuring adequate staffing of Amazon's business and operations, including risks associated with tighter labor markets, and how Amazon is mitigating or plans to mitigate those risks. The report should include a discussion of the extent to which Amazon relies on part-time, temporary and contracted workers in each of its three operating segments, and whether staffing considerations have affected any of Amazon's decisions about strategy, such as expansion plans or entering new geographies or lines of business.

SUPPORTING STATEMENT: Even before the COVID-19 pandemic, Amazon faced staffing challenges. According to a June 2021 article in *The New York Times*, Amazon's workforce management model was uneven and strained even before the coronavirus arrived. Pre-pandemic, about three percent of Amazon's hourly workforce left each week, nearly two times the rate in the retail and logistics industries.¹

The pandemic has intensified these pressures. Public attention has focused on the raft of employees voluntarily leaving jobs in 2021, dubbed *The Great Resignation*.² The trend has been most acute among employees who worked in fields that had experienced extreme increases in demand due to the pandemic, such as tech and health care.³ According to the Bureau of Labor Statistics, 3% of Americans quit their jobs in September 2021.⁴

Low-income workers' wages are rising at their fastest rate since the Great Recession and employers struggle to fill positions.⁵ As one commentator noted, The low-wage service-sector economy is experiencing the equivalent of 'free agency' in a professional sports league.⁶

Experts recommend that employers begin valuing the employee as a whole person, and not just as an 'asset' or resource to be used for financial gain to address labor market challenges.⁷ That advice appears to run counter to Amazon's workforce management approach, which reportedly reflects Jeff Bezos' view that a long-tenured workforce causes a march to mediocrity.⁸ Amazon now acknowledges its staffing-related challenges. In an October 2021 earnings call, CFO Brian Olsavsky stated that the Company's increased staffing need has recently coincided with the shortage of available workers, particularly in the United States, adding to Amazon's cost structure.⁹ In his final letter to shareholders as CEO, Bezos admitted that we need a better vision for how we create value for employees – a vision for their success.¹⁰

But Amazon does not disclose enough information about its staffing to enable investors to assess how skillfully it is managing staffing pressures. For example, investors did not have sufficient data on Amazon's workforce to interpret whether the Company's 2020 hiring¹¹ would expand the workforce or simply replace workers who had left. This proposal aims to fill that gap.

1. <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

2. E.g., <https://www.theatlantic.com/ideas/archive/2021/10/great-resignation-accelerating/620382/>; <https://www.npr.org/sections/money/2021/10/19/1047032996/why-are-so-many-americans-quitting-their-jobs>; <https://www.nytimes.com/2021/12/11/opinion/great-resignation-labor-shortage.html>

3. <https://hbr.org/2021/09/who-is-driving-the-great-resignation>

4. <https://www.bls.gov/news.release/jolts.t04.htm>

5. <https://www.theatlantic.com/ideas/archive/2021/10/great-resignation-accelerating/620382/>

6. <https://www.theatlantic.com/ideas/archive/2021/12/great-resignation-myths-quitting-jobs/620927/>

7. <https://www.inc.com/marcel-schwantes/1-forgotten-strategy-that-will-keep-your-employees-from-joining-great-resignation.html>; see also <https://www.fastcompany.com/90687805/this-is-the-cost-of-the-great-resignation-heres-what-leaders-can-do>; <https://hbr.org/2021/10/with-so-many-people-quitting-dont-overlook-those-who-stay8> <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

9. <https://seekingalpha.com/article/4463311-amazon-com-inc-amzn-q3-2021-results-earnings-call-transcript>

10. <https://www.businessinsider.com/amazon-jeff-bezos-final-letter-to-shareholders-as-ceo-2021-4>

11. <https://www.nytimes.com/2020/04/05/technology/coronavirus-amazon-workers.html>; <https://press.aboutamazon.com/news-releases/news-release-details/creating-more-job-opportunities-amazon-hiring-100000-new-full>

Human Rights Risks of Financialization of Housing

Royal Bank of Canada

Similar resolutions were submitted to Bank of Montreal and Toronto-Dominion Bank

According to CMHC, [h]ousing is generally considered a human right, providing necessary security, comfort and sense of belonging and community... Some, however, feel that the search for financial returns through housing are now creating barriers to accessing adequate, affordable housing.¹

Financialization of Housing

In 2019 the UN Special Rapporteur on the right to adequate housing issued a letter addressing the business of Invitation Homes Inc. (IH)². IH describes itself as a leading owner and operator of single-family homes for lease, offering residents high-quality homes in sought-after neighborhoods across America.

The letter states that:

IH purchased foreclosed single-family properties, which were then converted into rental accommodation. This large-scale ownership has made it possible for single family rentals (SFR) to become, for the first time, an asset class and has had deleterious effects on the enjoyment of the right to housing. SFRs with institutional owners are associated with undue rent increases making housing unaffordable for many existing tenants and reducing the availability of affordable housing stock[R]ent increases in institutionally owned homes are higher than overall averages. Tenants have indicated they feel insecure living in these conditions, where above average rent increases, exorbitant fees or the smallest infraction can result in arrears and lead to eviction and the threat of homelessness.

Bringing the SFR Rental Business to Canada

Core Development Group has begun purchasing hundreds of single-family homes in Ontario, for the purpose of renting them at a profit.³ Core seeks a \$1 billion Canadian residential real estate portfolio with 4,000 rental units, and eventually an IPO.

IH finances its business through mortgages and other bank debt facilities. As at 30/06/2021, IH had approximately US\$4.5 billion in mortgage loans and \$2.5 billion in bank debt facilities, constituting over 3/4 of IH's total liabilities. IH is heavily reliant upon banks to finance its business, and it is likely that any business seeking to replicate IH's business model in Canada will need to rely on funding from Canadian banks.

Human Rights Due Diligence

The UN OHCHR has stated:

It is through conducting human rights due diligence that a bank is able to identify whether and how it is involved with actual or potential adverse human rights impacts...

[A] bank should clearly communicate its expectations to its clients and undertake human rights due diligence appropriate to the proposed transaction, which may include seeking assurances from the client that it has in place adequate policies and processes to itself identify, prevent and mitigate risks associated with its activities.⁴

RESOLVED THAT shareholders request RBC take steps to assess and mitigate the human rights and reputational risks involved in the financialization of housing, including,

- acknowledging that housing is a human right, and
- collaborating with leading Canadian banks to develop a human rights due diligence tool that can be used to assess and mitigate the risks of doing business with clients or potential clients whose business practices have the potential to exacerbate the negative effects of the financialization of housing in Canada.

Data Operations in Human Rights Hotspots

Alphabet, Inc.

RESOLVED: Shareholders request the Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company's strategies for mitigating the related impacts.

The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published on the Company's website within six months of the 2022 shareholders meeting.

SUPPORTING STATEMENT:

As shareholders we are concerned by Alphabet's announced plans¹ to expand data center operations in locations reported by the US State Department's Country Reports on Human Rights Practices to present significant human rights violations.

These include Jakarta, Indonesia where opponents of the government face up to 18 months in prison for insulting the president or government officials online; Doha, Qatar where security forces interrogate social media users for tweets critical of government officials; and Delhi, India where the government frequently orders internet shutdowns and where Google's Transparency report showed a 69% increase in government requests for user data in 2019.

Of particular concern is the plan to locate a Google Cloud Data Center in Saudi Arabia. The US State Department Country Report² details the highly restrictive Saudi control of all internet activities and notes pervasive government surveillance, arrest, and prosecution of online activity. Human rights activists have reliably reported³ that Saudi authorities went so far as to recruit internal Twitter employees in the US to extract personal information and spy on private communications of exiled Saudi activists. Given this history and particularly the use of spyware to violate privacy rights of dissidents and the use of actual spies inside a similar platform (Twitter) to track US based exiled Saudi activists, the choice to locate here is particularly troubling.⁴

When asked by human rights activists to address these concerns, our company stated that an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review.⁵ While the company has declared that Transparency is core to our commitment to respect human rights, neither the Company's human rights assessment for Saudi Arabia nor the resulting actions have been made public.

Alphabet's Human Rights Policy notes that:

In everything we do, including launching new products and expanding our operations around the globe, we are guided by internationally recognized human rights standards.

Yet, the company's decisions regarding siting of cloud data centers in human rights hot spots are occurring behind closed doors and without the promised transparency. A report sufficient to fulfill the essential objectives of this proposal would examine the scope, implementation, and robustness of the company's human rights due diligence processes on siting of cloud computing operations. It would assess, with an eye toward the the rights enshrined in the Universal Declaration of Human Rights, the standards established in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in the Global Network Initiative Principles (GNI Principles), the priorities and potential impacts on people, any mitigating actions, any tracking of outcomes, and whether the company identifies and engages rights-holders to ensure that its human rights efforts are well informed.

1. <https://techcrunch.com/2020/03/04/google-cloud-announces-four-new-regio... tprint/>

2. <https://www.state.gov/reports/2020-country-reports-on-human-rights-prac...>

3. <https://www.hrw.org/news/2021/05/26/saudi-arabia-google-should-halt-pla...>

4. <https://www.cbsnews.com/news/us-charges-ex-twitter-employees-spying-for...>

5. <https://www.accessnow.org/cms/assets/uploads/2021/02/Google-Cloud-Respo... PPIC.pdf>

Assessment of Metaverse User Risk and Advisory Shareholder Vote

Meta (Facebook Inc.)

RESOLVED: Shareholders request the Board of Directors commission a report and seek an advisory shareholder vote on its metaverse project. The report should summarize results of a third-party assessment of:

potential psychological and civil and human rights harms to users that may be caused by the use and abuse of the platform, whether harms can be mitigated or avoided, or are unavoidable risks inherent in the technology.

After the report's publication, the Company should seek a shareholder vote, expressing non-binding advisory approval or disapproval of the metaverse project, advising the board and management whether investors consider continued implementation of the metaverse platform to be prudent or appropriate.

SUPPORTING STATEMENT: Shareholders recommend the report be prepared at reasonable cost, omitting confidential and proprietary information, by an independent third-party, at the conclusion of an initial metaverse development phase (e.g. after one year of development).

WHEREAS: Our Company - formerly Facebook, now Meta Platforms—is betting its future on the metaverse, an immersive virtual world where people can socialize, play, and work. CEO Mark Zuckerberg has told analysts:

I expect people will transition from seeing us primarily as a social media company to seeing us as a metaverse company.

Yet, shareholders worry the metaverse will generate dystopian downsides and investment risk, given Facebook's appalling track record addressing human and civil rights and privacy concerns affecting billions of people globally.

A Wall Street Journal investigation, based on internal documents provided by a whistleblower, concluded: Facebook...knows, in acute detail, that its platforms are riddled with flaws that cause harm, often in ways only the company fully understands. A third-party civil rights audit expressed concern about the vexing and heartbreaking decisions Facebook has made that represent significant setbacks for civil rights.

The same issues Facebook is reckoning with—discrimination, human and civil rights violations, incitement to violence, and privacy violations—may be heightened in the metaverse. Investors question Meta's social license to operate an emerging technology like the metaverse in the face of anti-trust litigation, whistleblower testimony, congressional hearings, and poor governance practices.

Mr. Zuckerberg has said the metaverse will require new forms of governance, but has provided scant detail, while simultaneously overseeing poor corporate governance practices at Meta as CEO, chairman, and controlling shareholder. Governance experts Quinta Jurecic and Alan Rozenshtein write: Unfortunately, nothing in Facebook's history suggests that it will be a good steward to navigate these challenges.

Meta is dedicating significant resources to the metaverse without fully understanding its potential risks and negative impacts. The Company employs over 10,000 people working on metaverse projects and plans to hire at least 10,000 more. It estimates spending 10 billion dollars on metaverse investments in 2021, approximately 50 percent of capital expenditures, with additional future spending. Investors worry that without thorough due diligence on metaverse's potential risks, shareholder value could suffer. After whistleblower testimony exposed Facebook's governance failings, share value dropped 13 percent within six weeks.

Rekognition – Facial Recognition Technology

Amazon.com, Inc

Amazon Web Services markets and sells to government a facial recognition system (Rekognition), that may pose significant financial risks due to privacy and human rights implications;

Human and civil rights organizations are concerned facial surveillance technology may violate civil rights by unfairly and disproportionately targeting and surveilling people of color, immigrants and civil society organizations;

Nearly 70 organizations asked Amazon to stop selling Rekognition, citing its role enabling government surveillance infrastructure;

The American Civil Liberties Union found Rekognition matched 28 members of Congress, incorrectly identifying them as individuals who have been arrested for a crime, then found Rekognition falsely matched 1 in 5 California lawmakers. Other research shows Rekognition is worse at identifying black women than white men and misgenders nonbinary people;

Multiple cities and states have banned government facial technology. In 2021, a federal ban was reintroduced, and United Nations High Commissioner for Human Rights urged a moratorium on the sale and use of artificial intelligence systems until adequate safeguards exist, also calling for a ban on artificial intelligence applications inconsistent with international human rights law.¹

There is little evidence our Board of Directors, as part of its fiduciary oversight, has rigorously assessed risks to Amazon's financial performance, reputation and shareholder value associated with privacy and human rights threats to customers and stakeholders;

For 3 years, similar Amazon proposals have received increasing shareholder support. In 2021, it received 34.3 percent support.

Responding to the growing movement against police brutality and criminal justice bias, Amazon issued an indefinite moratorium on Rekognition for use by police departments. While this ban indicates acknowledgment of Rekognition's risks, it is unclear whether it includes other government agencies. A 2021 Government Accountability Office report found 19 of 24 United States government agencies surveyed were using some form of facial recognition.²

Microsoft banned face recognition sales to police awaiting federal regulation, while IBM stopped offering the software. Following a lawsuit alleging nonconsensual use of facial recognition on residents resulting in a \$550 million settlement with Illinois, Facebook recently declared it will cease using facial recognition.³

RESOLVED: Shareholders request the Board of Directors commission an independent study of Rekognition and report to shareholders regarding:

- The extent to which such technology may endanger, threaten or violate privacy and/ or civil rights, and unfairly or disproportionately target or surveil people of color, immigrants and activists in the United States;
- The extent to which such technologies may be marketed and sold to authoritarian or repressive governments, including those identified by the United States Department of State Country Reports on Human Rights Practices;
- The potential loss of good will and other financial risks associated with these human rights issues;

The report should be produced at reasonable expense, exclude proprietary or legally privileged information and be published no later than September 1st, 2022.

1. OHCHR | Artificial intelligence risks to privacy demand urgent action – Bachelet

2. Facial Recognition Technology: Current and Planned Uses by Federal Agencies | U.S. GAO

3. <https://www.theguardian.com/technology/2021/nov/03/why-is-facebook-shut...-system-and-deleting-faceprints>

Performance Review of Audit and Risk Oversight Committee

Meta (Facebook Inc.)

RESOLVED: Shareholders request the Board commission an independent assessment of the Audit and Risk Oversight Committee's capacities and performance in overseeing company risks to public safety and the public interest and in supporting strategic risk oversight on these issues by the full board.

Supporting Statement: The review should be conducted at reasonable expense, and a public summary published expeditiously. The summary may omit confidential information, including information that would undermine the company's position in pending litigation.

We recommend the review be informed by Guidance on Corporate Risk Oversight by the International Corporate Governance Network, which suggests, among other things, assessing whether the board is instilling throughout the company a culture of risk monitoring and accountability, and the extent to which board activities support a transition from current risk culture to desired risk culture. The review should recommend mitigation such as providing the committee with:

- additional access to internal and external experts on issues of significant societal risk and impact;
- an avenue for employees to anonymously report issues to the committee; and
- additional training to assess social impacts and risks.

Background: Following the Cambridge Analytica scandal, in 2018, a shareholder resolution calling for the creation of a risk oversight committee was supported by more than 45% of the company's independent shareholders and by Institutional Shareholder Services. In 2018 the company broadened the charter of the audit committee to review with management (a) at least annually, the Company's assessment of the major ways in which its services can be used to facilitate harm or undermine public safety or the public interest... as well as the steps the Company has taken to monitor, mitigate, and prevent such abuse, and (b) from time to time [review] risk exposures related to social responsibility as the Committee deems necessary or appropriate. These responsibilities complement the responsibilities of the full board for strategic oversight of risk.

Nevertheless, the stream of harmful revelations has continued including allegations that the company regularly breaks pledges to remove harmful content such as advertisements for alcohol and weight loss drugs targeted to minors as young as 13 years old, depictions of animal cruelty, and misinformation on the coronavirus and the 2020 presidential election. Facebook has allowed militia groups that advocate violence to proliferate on its site, and its own studies reveal 32% of girls who feel bad about their bodies feel worse after spending time on the company's Instagram platform.

In 2019, the FTC fined Facebook \$5 billion, and in 2021, the DC attorney general added Mark Zuckerberg to a lawsuit regarding Cambridge Analytica and the Ohio attorney general sued Meta for over \$100 billion alleging the company intentionally has misled the public and investors about the negative impact of its products on minors to boost its stock price.

Proponents are concerned that a lack of rigorous risk oversight and culture at the Company will ultimately result in further damage to shareholder value.

Board Oversight of Harmful User-Generated Content

Meta (Facebook Inc.)

WHEREAS: The Meta (formerly Facebook) brand has continued to be wracked by management missteps and lack of Board oversight, resulting in continued harm by its platform including:

- Millions of high-profile users exempted from its rules, permitting continued widespread; incitement of violence and harassment;
- Internal Company research demonstrating that Instagram is toxic for teen girls;
- Mental health crises among outsourced moderators due to viewing child pornography and animal cruelty;
- Lack of cooperation with authorities to prevent and detect child exploitation and abuse;
- Ignored employee red flags about the spread of election misinformation;
- Political advertisements containing deliberate lies and mistruths;
- Hate speech that continues to thrive; Anti-immigrant violence around the world.

A whistleblower complaint filed with the SEC argues that the Company has failed to adequately warn investors about the material risks of dangerous and criminal behavior, terrorist content, hate speech, and misinformation on its sites. Company failure to control these activities reflects a grave lack of oversight by management and the board. Despite establishing an internal Oversight Board, the Company's platforms continue to harm society and create investor risk. An internal review of company practices highlighting harassment and incitement to violence states, We are not actually doing what we say we do publicly, and deems company's actions a breach of trust.

Management has attempted to address the material risk of dangerous user content through the creation of the Transparency Center that displays qualitative and quantitative reports on the elimination of posts that violate the 25 Community Standards. Shareholders applaud this action, yet ask why this seemingly robust technological and human-screening system is ineffective?

BE IT RESOLVED: Shareholders request the Board, at reasonable expense and excluding proprietary or legally privileged information, prepare a report analyzing why the enforcement of Community Standards as described in the Transparency Center has proven ineffective at controlling the dissemination of user content that contains or promotes hate speech, disinformation, or content that incites violence and/or harm to public health or personal safety.

SUPPORTING STATEMENT: Proponent suggests the report include, in Board and management discretion:

- A quantitative and qualitative assessment by an external, independent panel of qualified computer scientists of the effectiveness of Meta's algorithms to locate and eliminate content that violates the Community Standards
- An assessment of the effectiveness of Meta's staff and contractors in locating and eliminating content that violates the Community Standards
- An examination of benefits to users and impact to revenue if the Company would voluntarily follow existing legal frameworks established for broadcast networks (e.g. laws forbidding child pornography and rules governing political ads)
- An analysis of the benefits of the Company continuing to conduct technology impact assessments focused on how Meta's platforms affect society.

This report should cover each of Meta's major products, including Facebook, Messenger, Instagram, WhatsApp, and any other app that reaches over 100 million users.

Government-Mandated Content Removal Requests

Alphabet, Inc.

RESOLVED: Shareholders request the Board of Directors issue a report (within a reasonable time frame, at reasonable cost, and excluding confidential information) assessing the feasibility of publicly disclosing on an annual basis, by jurisdiction, the list of delisted, censored, downgraded, proactively penalized, or blocklisted terms, queries or sites that the company implements in response to government requests.

SUPPORTING STATEMENT

Google's Artificial Intelligence Principles¹ state the company will not pursue technologies that cause harm, that gather or use information for surveillance or whose purpose contravenes widely accepted principles of international law and human rights.

There is increasing evidence of a contradiction between Google's principles and its actions.

Buzzfeed reported:² According to Google's own stats,³ the Russian government has made 175 separate requests for the search engine to remove sites it has banned, totaling more than 160,000 separate URLs...About 80% of the total requests...resulted in removal. PEN America said:⁴ we need far more transparency regarding which sites Google has removed from its search results, as well as the internal evaluation and criteria that Google used for determining whether these sites should be taken down.

ARTICLE 19 submitted expert opinion⁵ to Russia's Constitutional Court regarding the removal of articles on hate crimes from Google search, saying: search engine operators are prohibited by the Law from disclosing any information pertaining to the applicant's request...this constitutes a disproportionate restriction on the right to freedom of expression...and a breach of their rights to a fair trial and to an effective remedy.

In addition, reports⁶ of proposed amendments to India's Information Technology Act indicate that it may soon be mandatory for firms like Alphabet to proactively deploy technology to suppress content.

Google states its Transparency Reports⁷ provide a glimpse at the wide range of content removal requests that we receive, but they are not comprehensive.

In 2018, the United Nations Special Rapporteur on freedom of expression's⁸ report stated: the authoritative global standard for ensuring freedom of expression on [companies'] platforms is human rights law, not the varying laws of States or their own private interests, and [companies] should re-evaluate their content standards accordingly.

Proponents suggest the report assess the feasibility of:

- Incorporating into Google's Transparency Report the substantive content of government requests, including whether the request was met, and criteria used to guide decisions;
- Notifying customers of content affected by government requests.

1. www.blog.google/technology/ai/ai-principles

2. www.buzzfeednews.com/article/hayesbrown/google-pull-sites-search-engine-russia-roskomnadzor

3. <https://transparencyreport.google.com/government-removals/by-country/RU?hl=en>

4. <https://pen.org/press-release/google-russia>

5. <https://www.article19.org/wp-content/uploads/2019/03/A19-Amicus-Curiae-Brief-Sova-v-Russia-20190321a-PM-signed.pdf>

6. <https://indianexpress.com/article/india/it-act-amendments-data-privacy-freedom-of-speech-fb-twitter-5506572>

7. <https://transparencyreport.google.com/government-removals/overview?hl=en>

8. <https://freedex.org/a-human-rights-approach-to-platform-content-regulation>

Report on Failures in Content Governance

Yelp Inc

WHEREAS: As detailed in its Trust & Safety Report, Yelp, Inc. has put significant time and resources into efforts to protect the integrity of its service, reduce the number of false postings on its platform, address false reviews and business vendettas, and manage reviews driven by news articles. However, according to Yelp's own analysis, the use of false reviews has increased 93% between 2019 and 2020.

Yelp's current content management systems appear to be insufficient against groups that weaponize Yelp reviews to promote misinformation on critical health and public interest issues and seek to harm organizations that are at odds with their personal or political beliefs, such as reproductive health providers and vaccine providers.

For example, a number of health-care focused establishments have found themselves victimized by negative Yelp reviews after requesting proof of vaccination from their clients. In addition, Planned Parenthood health centers across the U.S. have been dogged by ongoing posting of unsubstantiated and illegitimate reviews left by cyber-attackers on their Yelp pages. They have been spammed with hundreds of the exact same review within minutes.

False Yelp reviews may reduce an individual's willingness to receive needed health care, as well as harm providers through lowered ratings, reduced visits, and employee time-spent reaching out to Yelp seeking remediation. Once an organization has a false review placed on its business page, or pages, Yelp requires each business to manually report each illegitimate user account and/or review. Where providers and businesses targeted with false reviews are unable to undertake this task for significant numbers of false reviews, consumers of their services will likely be harmed. For Yelp, too, dedicating staff time to predictable, recurring vandalism is an inefficient process, increasing operating costs and offering little upside to the organization. Insufficient policies to address weaponized reviews also creates reputational risk and the potential of a regulatory response.

Yelp's practices vary relative to its peers in its approach to weaponized reviews, but are currently proving ineffective to address this growing problem. It is in the best interest of Yelp, its investors, and our broader society if Yelp takes effective practices to prevent, and is no longer viewed as a venue to make a stance on, personal or political beliefs through false reviews.

RESOLVED: Shareholders request that the Board conduct a stakeholder harm assessment study related to misinformation and false postings on its platform. A report on the Board's determination of strategically appropriate next steps identified as a result of this study, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Yelp's website by the end of calendar year 2022.

SUPPORTING STATEMENT: It is recommended that Yelp seek to engage harmed businesses in meaningful discussions about their experiences and desired alternative approaches.

Human / Civil Rights Expert on Board

Twitter

WHEREAS: Shareholders believe Twitter requires expert, board level oversight of civil and human rights issues to assess risk and develop strategy to avoid causing or contributing to widespread violations of human or civil rights, such as voter suppression, disinformation, or violence.

Twitter reports ...if we are not able to address user concerns regarding the safety and security of our products and services or if we are unable to successfully prevent or mitigate...abusive... behavior on our platform, the size of our engaged user base may decline.

Civil rights advocates have criticized Twitter for ineffectively addressing racism, sexism, and hate speech. Henry Fernandez, Center for American Progress, says, The muted efforts of giant social media companies to address racial violence and hate crimes perpetrated via their platforms have had terrible consequences, noting white nationalist rhetoric being fueled on social media leading to real-world violence including mass killings in El Paso, Texas; Gilroy, California; and, Christchurch, New Zealand. The January 2021 insurrection was also largely a result of violent rhetoric, misinformation, and organizing on Twitter.

Last year, Lauren Underwood, Subcommittee on Cybersecurity, Infrastructure Protection, and Innovation called out Twitter's use by organizations attempting to silence Black voters, requesting disclosure of measures put in place to counter voter suppression, interference, and disinformation targeting Black voters. A Senate report on Russia's election interference using social media platforms concluded, No single group of Americans was targeted by information operatives more than African-Americans.

Ranking Digital Rights reports: Facebook, Google (Youtube), and Twitter lack oversight and risk assessment mechanisms that could help them identify and mitigate the ways that their platforms can be used by malicious actors to organize and incite violence or manipulate public opinion.

Amnesty International's 2021 Twitter Scorecard states, For many women and nonbinary persons, Twitter is a platform where violence and abuse against them flourishes, often with little accountability. Amnesty found 23 percent of women experienced abuse or harassment at least once on Twitter. While Twitter claims to have enhanced safety and privacy measures, 82 percent of women believe Twitter remains the same or worse at addressing hateful and abusive content.

As fiduciaries, our Board is responsible for stewardship of business performance and must effectively manage risk factors like violations of human and civil rights. Strategic Management Journal reports misalignment between the board's expertise and the firm's future risks has negative implications for firm performance. Amidst civil and human rights controversies, Twitter's stock price has risen approximately 10 percent since its IPO, compared to a 167 percent rise of the S&P 500.

RESOLVED: Shareholders request Twitter's Nominating and Governance Committee nominate for the next Board election at least one candidate who:

- has a high level of human and/or civil rights expertise and experience and is widely recognized as such, as reasonably determined by Twitter's Board, and
- will qualify as an independent director within the listing standards of the New York Stock Exchange.

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 281.

Algorithm Disclosures

Alphabet, Inc.

WHEREAS, legislators, regulators, academics, and civil society increasingly require information to help understand how algorithmic systems can lead to discriminatory and other harmful outcomes in education, labor, medicine, criminal justice, and online platforms.¹

Bipartisan lawmakers have introduced the Filter Bubble Transparency Act, which would require companies to provide a version of their products which uses an input-transparent algorithm.² The Social Media Disclosure and Transparency of Advertisements Act introduced in Congress would force disclosure regarding online targeted advertisements.³ In December 2021, Washington, D.C. Attorney General Karl Racine introduced the Stop Discrimination by Algorithms Act, which would require companies to audit algorithms for discriminatory impact.⁴ General artificial intelligence bills or resolutions were introduced in at least 17 U.S. states in 2021, and enacted in four.⁵

The European Union's proposed Digital Services Act will require online platforms to maintain and provide access to ad repositories, allowing researchers, civil society and authorities to inspect how ads were displayed and how they were targeted, and will require auditing, disclosure, and transparency of recommender systems.⁶

In 2020, Black content creators launched litigation against YouTube and Alphabet for allegedly violating laws intended to prevent racial discrimination.⁷ In 2021, an investigation by The Markup found that Google Ads blocks advertisers from using 83.9 percent of social and racial justice terms.⁸ White supremacist and anti-Muslim ideologies have appeared on YouTube and can lead to offline violence; for example, the New Zealand Royal Commission found that content on YouTube radicalized the man who massacred 51 people at Christchurch mosques in 2019.⁹

In 2020, Google fired Timnit Gebru, co-lead of Google's AI ethics team, after she conducted research that found Google's technology could perpetuate racism and sexism.¹⁰

Promoting fairness, accountability, and transparency in artificial intelligence is central to its utility and safety to society. The Open Technology Institute has recommended a set of algorithmic disclosures for tech companies.¹¹ Deloitte has said algorithmic risk management requires continuous monitoring of algorithms.¹² The Mozilla Foundation and researchers at New York University have put forward recommendations and technical standards for algorithm and ad transparency.¹³

RESOLVED, shareholders request Alphabet go above and beyond its existing disclosures and provide more quantitative and qualitative information on its algorithmic systems. Exact disclosures are within management's discretion, but suggestions include, how Alphabet uses algorithmic systems to target and deliver ads, error rates, and the impact these systems had on user speech and experiences. Management also has the discretion to consider using the recommendations and technical standards for algorithm and ad transparency put forward by the Mozilla Foundation and researchers at New York University.

1. https://d1y8sb8igg2f8e.cloudfront.net/documents/Cracking_Open_the_Black...

2. <https://finance.yahoo.com/news/bipartisan-bill-seeks-curb-recommendatio...>

3. <https://trahan.house.gov/news/documentsingle.aspx?DocumentID=2112>

4. <https://oag.dc.gov/release/ag-racine-introduces-legislation-stop>

5. <https://www.ncsl.org/research/telecommunications-and-information-techno...>

6. https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_2348

7. <https://www.hollywoodreporter.com/business/business-news/youtube-allege...>

8. <https://themarkup.org/google-the-giant/2021/04/09/how-we-discovered-goo...>

9. <https://www.cnn.com/2020/12/08/youtube-radicalized-christchurch-shoote...>

10. <https://www.wired.com/story/google-timnit-gebru-ai-what-really-happened/>

11. <https://www.newamerica.org/oti/reports/why-am-i-seeing-this/promoting-f...-practices/>

12. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/risk/us-ris...>

13. <https://blog.mozilla.org/en/mozilla/facebook-and-google-this-is-what-an...>, <https://foundation.mozilla.org/en/campaigns/mandating-tools-to-scrutini...>, and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3898214

External Costs of Misinformation

Meta (Facebook Inc.)

RESOLVED, shareholders ask that the board commission and disclose a report on (1) risks created by Company business practices that prioritize internal financial return over healthy social and environmental systems and (2) the manner in which such risks threaten the returns of its diversified shareholders who rely on a productive economy to support their investment portfolios.

SUPPORTING STATEMENT:

On October 5, 2021, Frances Haugen, a former Company data scientist, testified before the U.S. Senate. Her testimony highlighted the Company's prioritization of its profits over social and environmental systems that undergird our economy and the wellbeing of its users:

I'm here today because I believe Facebook's products harm children, stoke division and weaken our democracy.¹

The Company reached 3,210,000,000 users in the third quarter of 2020.² Its platforms affects users' perceptions, and these perceptions affect social institutions and the ability of the global community to address potentially catastrophic threats. As one expert bluntly stated:

Facebook is becoming the last bastion of climate denial.³

Company personnel know its content is harmful:

We know that COVID vaccine hesitancy has the potential to cause severe societal harm.⁴

We make body image issues worse for one in three teen girls.⁵

But a former employee says the Company accepts those harms to increase its profits:

The company's leadership knows how to make Facebook and Instagram safer, but won't make the necessary changes because they put their astronomical profits before people...⁶

These harms matter to shareholders, most of whom diversify their investments to optimize return. Diversified shareholders lose when companies harm the economy, because the value of a diversified portfolio rises and falls with GDP.⁷ While the Company may profit by inflicting social costs, its diversified shareholders pay the bill.

In contrast, our CEO is not diversified. His wealth is concentrated in Company shares: unlike most shareholders, his investments do not absorb the social costs the company creates.

We ask the Company for a report identifying and analyzing areas where the Company's practice of maximizing its own financial returns is opposed to the interests of its diversified shareholders in a healthy economy. This will help shareholders understand where the Company's prioritization of astronomical profits before people creates a financial risk to their portfolios. Such a report would not need to provide precise numbers: identifying areas where the Company creates systemic risk—as internal Company documents already do—and analyzing how those risks might manifest as economic costs that threaten diversified portfolios would highly useful to shareholders.

1. <https://www.nytimes.com/2021/10/05/technology/haugen-facebook.html>

2. <https://www.statista.com/statistics/947869/facebook-product-mau/>

3. <https://www.commondreams.org/newswire/2021/09/16/new-facebook-study-99-...>

4. <https://www.wsj.com/articles/facebook-mark-zuckerberg-vaccinated-116318...>

5. https://www.wsj.com/articles/facebook-knows-instagram-is-toxic-for-teen...-11631620739?mod=article_inline

6. Supra, n.1.

7. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; cf. <https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-ca...-indicator> (total market capitalization to GDP is probably the best single measure of where valuations stand at any given moment) (quoting Warren Buffet).

Transparency Reports

Apple Computer, Inc.

In December 2020, 154 human rights organizations wrote to CEO Tim Cook regarding Apple's complicity with the Chinese government's human rights atrocities, noting that [e]ven though...app removals gravely affect freedom of expression and access to information, Apple's Transparency Report currently does not disclose such actions beyond a number.

The New York Times reported in May 2021: ... Apple has constructed a bureaucracy that has become a powerful tool in China's vast censorship operation. It proactively censors its Chinese App Store, relying on software and employees to flag and block apps that Apple managers worry could run afoul of Chinese officials. Since 2017, the Times said, roughly 55,000 active apps have disappeared from Apple's Chinese App Store, including tools for organizing pro- democracy protests and skirting internet restrictions. Most of those apps have remained available in other countries, the Times said.

Apple's transparency report for the first half of 2020 disclosed that it complied with all 46 requests from the Chinese government to remove 152 apps from the App Store. The report did not explain which apps were removed or for what reason.

Apple's transparency reporting takes a quantitative approach that offers little context for the app removal requests from the Chinese government or explanation of the risks that may be involved, according to Institutional Shareholder Services.

The 2020 Ranking Digital Rights Corporate Accountability Index found Apple lacked transparency about its process for removing apps from the App Store for violations to iOS rules.

Shareholders are deeply concerned about a material failure in Apple's transparency reporting that seemingly highlights a contradiction between Apple's human rights policy and its actions regarding China and its occupied territories, which represent almost a third of Apple's customer base. This poses significant legal, reputational and financial risk to Apple and its shareholders.

RESOLVED, shareholders request the Board of Directors revise the Company's Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. Such revision may exclude proprietary or legally privileged information.

SUPPORTING STATEMENT: Proponents suggest the company include in its Transparency Reports, or explain why it cannot disclose:

- The substantive content of government requests, by country, including which government agencies made requests; number of apps removed by category such as encrypted communications, VPN, etc.; and external legal or policy basis as well as internal company criteria on which the apps were removed;
- Any indicia of the extent of impact on residents of those countries, such as the number of prior downloads of the app and whether existing usage of the app was eliminated;
- Any efforts by the company to mitigate the harmful effect on freedom of expression and access to information posed by the categories of removals.

Human Rights Impact Assessment

Alphabet, Inc.

RESOLVED, shareholders of Alphabet Inc. (Alphabet) request that the Board of Directors commission an independent human rights impact assessment (Report) evaluating the potential human rights impacts of Google's upcoming Federated Learning of Cohorts technology (Technology) and make the Report, prepared at reasonable cost and omitting proprietary information, publicly available on Alphabet's website.

SUPPORTING STATEMENTGoogle launched a trial version of this Technology in 2021 and expects to fully eliminate third-party cookies in 2023. Google's proposal to phase out third-party cookies and replace them with this Technology constitutes a major transformation in advertising—Alphabet's primary source of revenue. As opposed to third-party cookies, this Technology—part of Alphabet's emerging tools called the Privacy Sandbox—relies on algorithmically grouping users into large cohorts whose behavior and activities are broadly similar.

While Google states that this Technology is a privacy-first alternative to third-party cookies, civil society groups have revealed that entities may be able to bypass this Technology's privacy-protecting features to identify individual users. Studies show that algorithmically generated groupings like this Technology may enable advertisers to target sensitive demographic characteristics, such as race, gender, age, and income, using shared interests as proxies.

Further, civil society actors has concerns that shifting to first-party tracking through systems like this Technology will consolidate users' data into the hands of a few powerful platforms. This may generate further harms and privacy risks to users who cannot migrate to another platform.

Although Alphabet claims that this Technology has privacy-enhancing features, civil society has identified the aforementioned human rights risks associated with this Technology. Alphabet has not clarified how it will enforce its advertising policies to detect bad actors and prevent them from using the opacity of algorithmic grouping to their advantage, nor has it clearly explained how it will protect the privacy of vulnerable demographic groups. Therefore, it is crucial for Alphabet to identify and address the privacy risks that this Technology may present to all users.

The adverse human rights impacts of existing targeted advertising systems—including fueling hate speech and exacerbating socioeconomic inequality— are well-documented and transcend user privacy. There continues to be material risks to shareholders, who urgently require greater transparency and due diligence on this issue.

A Human Rights Impact Assessment will enable Alphabet to better identify and address such human rights impacts that may expose Alphabet to significant reputational, legal, business and financial risks. According to the UN Guiding Principles on Business and Human Rights, companies should initiate such assessments as early as possible in the development of a new activity or relationship, prioritizing activities with the greatest potential for causing or contributing to harm and those affecting multiple parts of Alphabet's value chain. This Technology is now at a stage of evolution where a Report is most necessary and impactful. However, Google has shown no evidence of evaluating the human rights impacts of its existing targeted advertising system or this Technology. A Report will determine how well users' rights will be protected in a new digital landscape.

Human Rights Impact Assessment

Meta (Facebook Inc.)

RESOLVED: Shareholders direct the board of directors of Meta Platforms, Inc. (formerly known as Facebook, Inc) to publish an independent third-party Human Rights Impact Assessment (HRIA), examining the actual and potential human rights impacts of Facebook’s targeted advertising policies and practices throughout its business operations. This HRIA should be conducted at reasonable cost; omit proprietary and confidential information, as well as information relevant to litigation or enforcement actions; and be published on the company’s website by June 1, 2023.

WHEREAS: Facebook’s business model relies almost entirely on ads, with 98% of Facebook’s global revenue in 2020 generated from advertising. Facebook ad revenue stood at close to \$86 billion in 2020, a new record for the company and a significant increase from previous years.¹

Algorithmic systems are deployed to enable the delivery of targeted advertisements, determining what users see, resulting in and exacerbating systemic discrimination² and other human rights violations. Data used to enable the targeting of such ads include personal and behavioral data of Facebook users, which further exposes Facebook to user privacy violations. Facebook was fined \$5 billion for such privacy violations by the U.S. Federal Trade Commission in 2019.

Targeted ads have been the subject of much controversy. Just this year, Frances Haugen revealed that Facebook had long known that targeted ads are detrimental to mental health, body image, and political polarization.³ Facebook now faces a lawsuit from investors for allegedly violating federal securities laws by presenting inaccurate statements about the harm its products, funded through targeted advertisements, can cause.⁴

Facebook continues to mislead the public on its use of targeted ads. In July 2021 the company stated that we’ll only allow advertisers to target ads to people under 18 (or older in certain countries) based on their age, gender and location. However, it was discovered that, outside of stated parameters, Facebook is still using the vast amount of data it collects about young people to determine which children are most likely to be vulnerable to a given ad, opening them to allegations of human rights violations⁵. Additionally, Facebook does not publish data on alleged violations of the policies they do have, making it impossible to know if they are effective.⁶

There is growing global consensus among civil society experts, academics, and policymakers that targeted advertising can lead to the erosion of human rights. Legislation in Europe⁷ and the United States⁸ is poised to severely restrict or even ban targeted ads.

Facebook’s business model relies on a single source of revenue – advertising. Targeted advertising, given concerns around the fairness, accountability, and transparency of the underlying algorithmic system, has been heavily scrutinized for its adverse impacts on human rights, and is targeted for significant regulation. This is a material risk to investors. A robust HRIA will enable the company to better identify, address, mitigate and prevent such adverse human rights impacts that expose the company to reputational, legal, business and financial risks.

1. <https://www.statista.com/statistics/271258/facebooks-advertising-revenue-worldwide/>

2. <https://www.nytimes.com/2019/03/28/us/politics/facebook-housing-discrimination.html>

3. <https://www.washingtonpost.com/technology/2021/10/03/facebook-whistleblower-frances-haugen-revealed/>

4. <https://www.cnbc.com/2021/11/15/ohio-ag-accuses-facebook-of-securities-fraud-for-misleading-investors.html>

5. <https://techcrunch.com/2021/11/16/facebook-accused-of-still-targeting-teens-with-ads/>

6. <https://rankingdigitalrights.org/index2020/companies/Facebook>

7. <https://www.brookings.edu/techstream/what-the-european-dsa-and-dma-proposals-mean-for-online-platforms/>

8. <https://mashable.com/article/filter-bubble-transparency-act-threatens-facebook-news-feed>

Human Rights Impact Assessment

Loblaw Companies Ltd.

RESOLVED: Shareholders request the Board of Directors of Loblaw Companies Limited (Loblaw) to publish a report, at reasonable cost and omitting proprietary information, with the results of an independent Human Rights Impact Assessment (Assessment) identifying and assessing the actual and potential human rights impacts on migrant workers from the Company's business activities in its operations and supply chain.

Supporting Statement: Migrant workers are the backbone of the Canadian food system. In the agri-food sector, migrant workers are widely employed in crop production and food and beverage manufacturing. In 2017, one in five workers employed in crop production was a foreign worker. In Ontario, that same year, 41.6% of the agricultural workers were Temporary Foreign Workers. In 2020, half of all foreign workers in the sector were employed by meat product manufacturers, bakeries and tortilla manufacturers.

Migrant workers in the Canadian agri-food sector face increasingly hazardous and precarious working conditions. The COVID-19 pandemic has only exacerbated the widespread abuse migrant workers in the food supply chain face, including: wage theft, racial profiling, inadequate housing, exploitation and discrimination. Migrant workers have also seen a dramatic and dangerous intensification in work. According to the Migrant Workers Alliance for Change, during the pandemic, many migrant workers in Canada reported working for weeks without a day off, being forced to work long hours, and suffering increased strains, injuries and sickness due to increased pace of work.

In its 2020 Corporate Responsibility Report, Loblaw stated that it is: principally committed to sourcing from Canadian suppliers and those who support a sustainable future. Its Commitment to Human Rights and Supplier Code of Conduct obligates suppliers to uphold human rights within their operations. However, despite the severity of the human rights abuses alleged in the Canadian food supply chain, Loblaw does not provide clear explanations on how its policies and practices prevent and mitigate risks and harms to migrant workers employed by its suppliers. In addition, the Company's disclosure falls short in demonstrating the effectiveness of these policies and practices through the disclosure of key meaningful metrics.

The lack of transparency regarding migrant workers in Loblaw's supply chain is concerning, as it may indicate that Loblaw underestimates serious human rights issues within its domestic supply chain. Loblaw's failure to implement a robust human rights due diligence process to mitigate migrant workers harms and rights violations may represent material, reputational, sourcing, legal and regulatory risk.

Therefore, to allow shareholders to perform their due diligence in accordance with their fiduciary duty, it is key for Loblaw to demonstrate a higher level of commitment and due diligence regarding migrant workers' rights in its supply chain. An independent Assessment would help Loblaw identify any adverse impacts of its activities to 1) ensure the fundamental rights of migrant workers in its supply chain are respected and protected; 2) and ensure alignment of its existing policies and practices with the UN Guiding Principles on Business and Human Rights.

Human Rights Impact Assessment

Sturm Ruger and Company, Inc.

RESOLVED: Shareholders urge the Sturm Ruger board of directors to oversee a third party Human Right Impact Assessment (within a reasonable time and at a reasonable cost) which assesses and produces recommendations for improving the human rights impacts of its policies, practices and products, above and beyond legal and regulatory matters. Input from stakeholders, including human rights organizations, employees, and customers, should be considered in determining the specific matters to be assessed. A report on the assessment, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company's website.

WHEREAS: The UN Guiding Principles on Business and Human Rights (UNGPs) state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility entails that companies should know their human rights risks and impacts; take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur; and publicly communicate how they are addressing their most severe impacts on people connected with their business.

The inherent lethality of firearms exposes all gun makers to elevated human rights risks. In selling its firearms to civilians, Ruger assumes they will be used safely, and while that is mainly the case, the grave threat for product misuse and resulting harm to society is not accounted for in Ruger's governance structures or in policies or practices that would mitigate this threat.

Pew Research Center surveys (2021) show that nearly half (48%) of Americans believe gun violence is a very big problem in the country today.² Gun violence increased during the pandemic and in the first nine months of 2021, gun deaths were up 9% and mass shootings up 15% over the same time period in 2020.³ While Sturm Ruger recently developed and posted a human rights policy to its website, the policy fails to address Ruger's most severe human rights risk; that of the potential harm that can result from the misuse of its firearms in violent events.

In 2019, in response to a shareholder proposal that achieved majority support, Ruger published a report on its measures to address gun safety.⁴ It should be noted that this report failed to put forward meaningful solutions to address gun violence. Moreover, the report did not assess or address the company's human rights risks.

Shareholders are increasingly urging their portfolio companies to put processes in place to identify, assess, and, where appropriate, address human rights risks. Human rights risks have direct implications for shareholder value and, depending on whether and how they are managed, can be a bellwether for a company's long-term viability.

A company's efforts to demonstrate that its policies and practices reflect internationally accepted human rights standards can lead to successful and sustainable business planning, and improved relations with customers, workers, communities, investors and business partners.

1. https://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr_eN.pdf

2. <https://www.pewresearch.org/fact-tank/2021/09/13/key-facts-about-americans-and-guns/>

3. <https://www.cnn.com/2021/09/19/politics/gun-violence-spike-2021-explainer/index.html>

4. <https://ruger.com/corporate/PDF/8K-2019-02-08.pdf>

Human Rights Impact Assessment

Northrop Grumman Corporation

RESOLVED: Shareholders request that Northrop Grumman publish a report, at reasonable cost and omitting proprietary information, with the results of human rights impact assessments examining the actual and potential human rights impacts associated with high-risk products and services, including those in conflict-affected areas.

WHEREAS: Northrop Grumman is the world's fourth-largest defense company, with high-risk business activities in the areas of controversial arms trade, military training, nuclear weapons, and border militarization.¹ Irremediable human rights impacts linked to the end use of the company's products and services, particularly those with lethal capabilities, expose Northrop Grumman to legal, financial, and reputational risks.

The UN Guiding Principles on Business and Human Rights establish clear expectations for corporations to conduct human rights due diligence, including impact assessments, as part of the corporate responsibility to respect human rights. Risks and due diligence expectations are heightened for business activities in conflict-affected areas. In a 2019 Amnesty International report about the defense industry's failure to carry out effective human rights due diligence, Northrop Grumman's Human Rights Policy was criticized for having fleeting references to human rights and lacking sufficient focus on impacts of products and services.²

Northrop Grumman has contracted with or supplied weapons to multiple states engaged in conflict, including Saudi Arabia, the United Arab Emirates, India, Israel, Morocco, and Colombia.³ Northrop Grumman is one of the Saudi Arabian Armed Forces' largest defense partners, supplying weapons since 1971 and providing military training.⁴ A 2020 report by the UN Human Rights Council alleges that Saudi-led coalition airstrikes in Yemen may amount to war crimes and the supply of weapons from the U.S. and other countries has helped to perpetuate the conflict.⁵ During the May 2021 attacks on Gaza, where apparent war crimes were committed, Northrop Grumman was scrutinized for supplying Longbow missile systems and Apache helicopters to the Israeli Armed Forces.⁶

The company has at least \$24 billion in nuclear weapons contracts, including a new 9-year \$13.3 billion U.S. contract awarded in 2020.⁷ The Treaty on the Prohibition of Nuclear Weapons, which entered into force this year, may require the company to demonstrate that it is not conducting prohibited activities in jurisdictions that ratified the Treaty.⁸

From 2018 to 2021, Northrop Grumman was the primary contractor to develop the Department of Homeland Security's Homeland Advanced Recognition Technology (HART) database.⁹ It will hold sensitive biometric and biographical data for 260 million people, which presents risks of privacy rights violations, increased surveillance, racial bias, and harm to immigrant communities.¹⁰ Northrop Grumman is among the top 14 companies with the most contracts with U.S. Customs and Border Protection to militarize the U.S. - Mexico border.¹¹

At Northrop Grumman's 2021 annual meeting, the human rights impact assessment proposal received 22.35% shareholder support.¹²

1. <https://investigate.afsc.org/company/northrop-grumman>

2. <https://www.amnesty.org/en/documents/act30/0893/2019/en/>

3. <https://www.northropgrumman.com/who-we-are/global-presence/>; <https://www.upi.com/Defense-News/2015/10/16/Colombia-receives-Northrop-Grumman-ANTPS-78-radar/4871445000556/>; <https://www.morocoworldnews.com/2018/05/246179/morocco-cargo-m1a2s-laser-tanks-us>; <https://news.northropgrumman.com/news/releases/northrop-grumman-delivers-center-fuselage-for-first-israeli-f-35-aircraft>

4. <https://www.northropgrumman.com/who-we-are/northrop-grumman-in-the-middle-east/>

5. <https://www.ohchr.org/Documents/HRBodies/HRCouncil/GEE-Yemen/2020-09-09-report.pdf>

6. <https://www.hrw.org/news/2021/07/27/gaza-apparent-war-crimes-during-may-fighting#>; <https://www.afsc.org/resource/us-corporations-convicted-military-attacks-gaza>

7. https://www.dontbankonthebomb.com/wp-content/uploads/2021/11/2021-Perilous-Profitteering_ExecSummary.pdf; <https://www.dontbankonthebomb.com/northrop-grumman/>; <https://www.northropgrumman.com/wp-content/uploads/2020-Annual-Report-Northrop-Grumman.pdf>; <https://govtribe.com/award/federal-contract-award/definitive-contract-fa821920c0006>

8. https://treaties.un.org/doc/Treaties/2017/07/20170707%2003-42%20PM/Ch_XXVI_9.pdf

9. <https://investigate.afsc.org/company/northrop-grumman>

10. <https://theintercept.com/2020/11/17/dhs-biometrics-dna/>

11. <https://www.tni.org/files/publication-downloads/more-than-a-wall-report.pdf>

12. <https://investor.northropgrumman.com/node/38126/html>

Human Rights Impact Assessment

Lockheed Martin Corporation

WHEREAS: Lockheed Martin is the world's largest defense contractor and is exposed to significant actual and potential adverse human rights impacts resulting from the use of its weapons and defense technologies. Potential human rights impacts of Lockheed's business include the rights to life, liberty and personal security, privacy, a clean, healthy and sustainable environment, non-discrimination, and peaceful assembly and association. The UN Guiding Principles on Business and Human Rights (UNGPs) outline the roles and responsibilities of states and companies with respect to human rights. While international arms trade falls under national legal jurisdiction, the UNGPs define clear expectations for defense companies to respect human rights in their operations and supply chains, and address risks linked to use of products. A 2019 Amnesty International report found that Lockheed Martin is not meeting its human rights responsibilities despite severe, often irremediable impacts.¹

Prominent human rights organizations have recorded indiscriminate use of Lockheed Martin products against civilians consistently over time.² Lockheed Martin has exported military goods to at least 12 states which are engaged in armed conflict, have a record of human rights violations, or are at risk of corruption and fragility, including Saudi Arabia, Israel, and the United Arab Emirates. Reports have linked Lockheed Martin weaponry to war crimes and violations of international humanitarian law in Yemen, including the widely condemned attack on a school bus in 2018 that resulted in the deaths of dozens of children.³ Lockheed also played a critical role in the May 2021 attacks on Gaza, where apparent war crimes were committed, including the deaths of at least 129 civilians, of whom 66 were children.⁴

Failure to respect human rights in high-risk business areas exposes the company and its investors to financial, legal, regulatory, reputational, and human capital management risks. In 2021, Lockheed moved forward with a nearly \$2.43 billion sale of F-16s to the Philippines, despite congressional opposition due to widespread human rights violations carried out by the Armed Forces of the Philippines, including extrajudicial killing of political activists, organizers, and Indigenous leaders.⁵

The company also has \$40 billion in nuclear weapons contracts, including \$2.1 billion awarded in 2020.⁶ The Treaty on the Prohibition of Nuclear Weapons, which entered into force in 2021, may require Lockheed Martin to demonstrate that the company is not conducting prohibited activities in jurisdictions that ratified the Treaty.⁷ Furthermore, the company faced multiple lawsuits in 2020 for toxic pollutant contamination from a Florida facility, where workers were later diagnosed with brain lesions, multiple sclerosis, cancer, and birth defects.⁸

RESOLVED: Shareholders request that Lockheed Martin publish a report, at reasonable cost and omitting proprietary information, with the results of human rights impact assessments examining the actual and potential human rights impacts associated with high-risk products and services, including those in conflict-affected areas or violating international law.

1. <https://www.amnesty.org/en/documents/act30/0893/2019/en/>

2. <https://www.hrw.org/reports/2007/lebanon0907/lebanon0907web.pdf> ;
<https://www2.ohchr.org/english/bodies/hrcouncil/docs/12session/A-HRC-12-48.pdf>

3. <https://www.paxforpeace.nl/media/files/mwatana-day-of-judgement.pdf>

4. <https://www.hrw.org/news/2021/07/27/gaza-apparent-war-crimes-during-may-fighting#>

5. <https://www.hrw.org/news/2021/07/21/its-time-us-stop-selling-weapons-human-rights-abusers#>

6. https://www.icanw.org/2020_global_nuclear_weapons_spending_complicit

7. https://treaties.un.org/doc/Treaties/2017/07/20170707%2003-42%20PM/Ch_XXVI_9.pdf

8. <https://www.orlandosentinel.com/news/environment/os-ne-lockheed-martin-orlando-lawsuit-20200928-7x242mvdzfidig47zx276ivvm-story.html>

Human Rights Due Diligence General Dynamics Corporation

Resolved: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on General Dynamics Corporation's human rights due diligence process to identify, assess, prevent, mitigate, and remedy actual and potential human rights impacts associated with high-risk products and services, including those in conflict-affected areas.

Whereas: As the fifth-largest defense company in the world, General Dynamics is exposed to significant actual and potential human rights risks.¹ The use of its weapons and technologies may violate the rights to life, liberty, personal security, privacy, non-discrimination, peaceful assembly, and association.

Under the UN Guiding Principles on Business and Human Rights, companies are expected to conduct human rights due diligence to meet the corporate responsibility to respect human rights, and expectations are heightened for companies with business activities in conflict-affected and high-risk areas.² A 2019 Amnesty International report concluded that General Dynamics and its peers failed to meet its human rights due diligence responsibilities.³

Investors lack evidence of effective human rights due diligence. While General Dynamics recently adopted a human rights statement,⁴ its commitment and action steps are not grounded in international human rights and humanitarian law. It only requires compliance with U.S. law and corporate values. Despite language on end use and lethal capabilities, it does not include a commitment to address irremediable human rights impacts linked to its lethal products. Board oversight of sustainability risks and the ethics hotline are insufficient.

Failure to carry out effective human rights due diligence exposes General Dynamics and its investors to legal, financial, and reputational risks. A component manufactured by General Dynamics was linked to a 2018 school bus bombing carried out by the Saudi Arabian Armed Forces in Yemen, which resulted in the deaths of dozens of children and has been recognized as a war crime.⁵ The company has repeatedly supplied weapons and munitions to the Israeli Defense Forces, including weaponry reportedly used in attacks on Palestinian civilians that constitute human rights violations and war crimes.⁶ At General Dynamics' 2021 annual shareholder meeting, the CEO faced criticism for weapons sales to Saudi Arabia, the United Arab Emirates, Bahrain, and Egypt.⁷

General Dynamics has several nuclear weapons contracts, including to produce Trident missiles components for the U.S. and U.K.⁸ The company faces increasing regulatory and reputational risks now that the Treaty on the Prohibition of Nuclear Weapons entered into force. As a result of these business activities, General Dynamics continues to be a subject of NGO- and student-led divestment campaigns.⁹

General Dynamics also has highly controversial contracts with U.S. government agencies, including providing casework services publicly linked to the family separation crisis at the U.S. – Mexico border.¹⁰ It also supplies remote video surveillance systems which may violate rights to privacy and seeking asylum.¹¹ Finally, General Dynamics faces human capital management risks related to worker health and safety, including exposure to COVID-19, and labor strikes.¹²

1. <https://people.defensenews.com/top-100/>

2. https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

3. <https://www.amnesty.org/en/documents/act30/0893/2019/en/>

4. <https://www.gd.com/responsibility/human-rights>

5. <https://www.hrw.org/news/2018/09/02/yemen-coalition-bus-bombing-apparent-war-crime#>

6. <https://investigate.afsc.org/company/general-dynamics>

7. <https://www.commondreams.org/news/2021/05/06/peace-activist-interrupts-general-dynamics-shareholder-meeting-blast-business-war>; <https://www.reuters.com/article/us-general-dynamics-canada-saudi/general-dynamics-canada-wins-saudi-deal-worth-up-to-13-billion-idUSBREA1D1EF20140214>; https://www.defenseworld.net/news/20623/General_Dynamics_Wins__20_Million_to_Supply_MK_Bombs_To_Australia__Bahrain_and_Saudi_Arabia; <https://www.thedefensepost.com/2018/09/18/egypt-cleared-60500-tank-rounds-general-dynamics/>

8. <https://www.dontbankonthebomb.com/general-dynamics/>

9. https://www.codepink.org/general_dynamics

10. <https://govtribe.com/award/federal-idv-award/indefinite-delivery-contract-hhsp233201500177>; <https://qz.com/1309460/defense-contractors-like-general-dynamics-are-profiting-from-child-detention-and-you-might-be-too/>

11. <https://investigate.afsc.org/company/general-dynamics>

12. <https://www.navytimes.com/news/your-navy/2020/08/23/shipbuilders-approve-3-year-pact-ending-months-long-strike-at-bath-i>; <https://www.newscentermaine.com/article/news/health/coronavirus/maine-cdc-identifies-covid-19-outbreak-at-biw-with-three-confirmed-cases/97-da09986d-f5d5-4486-8eb1-8377f1c8d0cb>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 281.

Customer Due Diligence

Amazon.com, Inc

Resolved: Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing Amazon's customer due diligence process to determine whether customers' use of its products and services with surveillance, computer vision, or cloud storage capabilities contributes to human rights violations.

Whereas: Amazon Web Services (AWS) is a leading cloud provider that serves multiple government customers with a history of human rights abuses, and Amazon's surveillance technologies may enable mass surveillance globally.

Know Your Customer due diligence mitigates clients' risks and human rights impacts and informs business decision-making.¹ It reveals whether technologies will be used to facilitate governmental human or civil rights or civil liberties violations.² The Atlantic Council recommended the United States and NATO create know-your-customer (KYC) policies with surveillance companies.³ The United Nations found that states and businesses have often rushed to incorporate AI applications, failing to carry out due diligence.⁴

Inadequate due diligence presents material privacy and data security risks, as well as legal, regulatory, and reputational risks. These risks are present even if surveillance products are used according to Amazon's guidelines. Amazon fails to address how its facial analysis products enable discrimination.⁵ Even after police used Amazon's Ring to surveil anti-racist protesters⁶ and a UK court found Ring infringed customer privacy,⁷ Ring continues to expand its thousands of police partnerships.⁸ Senators expressed concerns⁹ that Amazon's palm recognition payment system violates privacy.¹⁰ In 2021, Amazon was fined \$887 million for violating the European Union General Data Protection Regulation.¹¹

Amazon's government and government-affiliated customers and suppliers with a history of rights-violating behavior pose risks to the company, including:

U.S. immigration enforcement agencies use AWS in detention and deportation programs; AWS will host the Department of Homeland Security's biometric database, which will impact millions of immigrants' and citizens' ability to exercise their rights to protest, assemble, associate, and to live their daily lives; Amazon has purchased thermal cameras from Chinese technology firm Dahua,¹² which was blacklisted by the U.S. Government due to its role in the mass surveillance, internment, torture, and forced labor of the ethnic Uyghur minority; The Israeli military and government's Project Nimbus, protested by Amazon employees,¹³ uses AWS to support and expand the apartheid system under which Palestinians in occupied territory are surveilled, unlawfully detained and tortured, and subjected to acts of forced displacement.¹⁴ The Israel Land Authority plans to use AWS as it expands illegal settlements and enforces segregation; and The United Arab Emirates government, which deploys a state surveillance apparatus against human rights defenders, journalists, and political dissidents, will partner with Amazon to develop three data centers in 2022.

Amazon's existing policies¹⁵ appear insufficient in preventing customer misuse and establishing effective oversight, yet Amazon continues releasing surveillance products.

1. https://www.humanrights.dk/sites/humanrights.dk/files/media/document/Phase%204_%20Impact%20prevent
2. <https://www.eff.org/deeplinks/2018/07/should-your-company-help-ice-know-your-customer-standards-evaluating-domestic>
3. <https://www.atlanticcouncil.org/wp-content/uploads/2021/11/Surveillance-Technology-at-the-Fair.pdf>
4. <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=27469&LangID=E>
5. <https://venturebeat.com/2021/09/03/bias-persists-in-face-detection-systems-from-amazon-microsoft-and-google/>
6. <https://www.eff.org/deeplinks/2021/02/lapd-requested-ring-footage-black-lives-matter-protests>
7. <https://www.digitalcameraworld.com/news/your-amazon-ring-camera-could-land-you-in-trouble-with-the-law-after-shock-ruling>
8. <https://www.theverge.com/2021/1/31/22258856/amazon-ring-partners-police-fire-security-privacy-cameras>
9. https://www.klobuchar.senate.gov/public/_cache/files/5/e/5ebfd9e0-b230-4a86-8db4-09cacd0c25a6/ODA3E8409AD9EB20E056BC005E5858B1.8.12.21-letter-to-amazon.pdf
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Customer Due Diligence

NVIDIA

RESOLVED: Shareholders request that the Board of Directors commission an independent third-party report, at reasonable expense and excluding proprietary information, on NVIDIA Corporation's (NVIDIA) customer due diligence process to determine whether customers' use of its products or services with surveillance technology and artificial intelligence (AI) capability or of its components that support autonomous military and police vehicles, contributes to human rights harms.

WHEREAS: NVIDIA's Code of Conduct commits the company to, complying with all applicable laws; respect internationally recognized human rights where we operate and not engaging in ... forced, bonded, or indentured labor;¹

Human rights risks are acute in conflict-affected and high-risk areas (CAHRA), characterized by widespread human rights abuses and violations of national or international law.² Surveillance technologies and autonomous vehicles are associated with human rights and material risks, as evidenced by stakeholder efforts to limit, place moratoriums on, and/or ban certain products and services;

NVIDIA is providing products and services to customers in CAHRA that are contributing to human rights harms, including:

- Selling microchips to Urumqi Cloud Center in Xinjiang Uyghur Autonomous Region, used by the Chinese government to surveil, detain, and force into labor, ethnic Uyghurs;³
- Partnering with and investing in AnyVision, whose facial recognition technology is used to surveil Palestinians in the occupied West Bank and East Jerusalem;⁴
- Building an AI and deep learning cloud infrastructure with Saudi Telecom Company, implicated in the surveillance and detention of human rights defenders in Saudi Arabia;^{5,6} and,
- Partnering with the U.S. Department of Defense to accelerate the adoption of fully autonomous military vehicles;^{7,8}

Human rights and conflict are material risks. According to US SIF's 2020 Trends Report, conflict risk was the leading environmental, social, and governance criterion among investors representing over \$6 trillion in assets under management.⁹ Companies have mitigated the risks of surveillance technologies, including Microsoft's divestment from AnyVision and exit from the facial recognition market¹⁰ and Amazon's moratorium on police using its Rekognition software;¹¹

Policymakers are responding to risks with regulation, legislation, and public calls, including American states and cities limiting or banning the use of facial recognition by police,¹² U.S. Presidential executive orders prohibiting investment in Chinese surveillance companies,¹³ and the European Union's Dual Use Regulation¹⁴ and Artificial Intelligence Act;¹⁵

To mitigate risks associated with customer conduct, leading companies conduct Know Your Customer (KYC) due diligence. The process helps determine if a company's products and services may be used to facilitate human rights harms. In November 2021, the Atlantic Council recommended the United States and NATO develop KYC policies for companies in the surveillance industry.¹⁶

SUPPORTING STATEMENT

Shareholders seek information, at board and management discretion, through a report that:

- Discusses how human rights risks in CAHRA are identified, assessed, prevented, and mitigated; and
- Assesses if a customer due diligence process is needed to address these risks.

Human Rights Risks in Conflict-Affected and High-Risk Areas Policies

Caterpillar Inc.

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 and high-risk areas (CAHRA) as called for by the UN Guiding Principles on Business and Human Rights (UNGPs).

WHEREAS: Caterpillar's Code of Conduct commits the company to respecting internationally recognized human rights throughout its global operations. The company developed a Human Rights Policy informed by the UNGPs, and a Conflict Minerals Position Statement committing the company to not knowingly provide support to, contribute to, assist with, or facilitate armed conflict in the DRC [Democratic Republic of Congo]. Caterpillar's Slavery and Human Trafficking Statement indicates that slavery [is] inconsistent with our Values and will not be tolerated at Caterpillar, or anywhere in our supply chain;

Civil society organizations have documented Caterpillar's equipment being used in violations of international humanitarian and human rights law in CAHRA (e.g., forced displacement, demolition of civilian homes and infrastructure, unlawful resource exploitation), including Myanmar, Occupied Palestinian Territory; and Western Sahara as well as the company having value chain relationships with rights-violating governments (e.g., Belarus);

It was reported in July 2020 that Summit Resource International, the exclusive wholesaler for Caterpillar-branded retail clothing, received multiple shipments of Triton jackets and Trademark trousers from Chinese garment companies Xinjiang Ainuoxin Garment Co. and Jinan Ainuoxin Garment Co., reported to be involved in the Chinese government's forced labor program in Xinjiang Uyghur Autonomous Region (XUAR);

Companies and investors increasingly view human rights and conflict risks as material financial risks. According to US SIF's 2020 Trends Report, conflict risk was the leading environmental, social, and governance criterion among institutional investors representing over \$6 trillion in assets under management. Companies have taken different actions in response to these risks, including H&M's decision not to use cotton sourced from XUAR, Coca-Cola withdrawing from Myanmar following the February 2021 military coup, and Canadian fertilizer giant Nutrien ceasing phosphate imports from Western Sahara;

States and multilateral organizations are developing laws and sanctions to address human rights violations, including legislation on mandatory human rights due diligence for EU companies and the U.S. government's sanctions on Chinese companies involved in forced labor in XUAR, Burmese companies affiliated with the military junta, and Belarusian officials involved in the 2021 fraudulent election. These regulations create heightened legal, reputational, and financial risks for companies and investors to consider;

To mitigate these risks, leading companies conduct human rights impact assessments based on international frameworks, such as the UNGPs, which call on companies to conduct enhanced human rights due diligence in CAHRA due to the widespread and gross human rights violations endemic to such areas.

SUPPORTING STATEMENT

Shareholders seek information, at board and management discretion, through a report that:

- Discusses how human rights risks in CAHRA are identified, assessed, prevented, and mitigated; and
- Assesses whether additional policies are needed to supplement Caterpillar's current Human Rights Policy to avoid causing or contributing to violations in CAHRA.

Assessing Effectiveness in Preventing Forced/Child/Prison Labor in Supply Chain

TJX Companies, Inc.

WHEREAS: TJX Companies sources from approximately 21,000 vendors in over 100 countries. While TJX's Vendor Code of Conduct prohibits forced, child, and prison labor, TJX does not conduct or require routine audits of factories to confirm compliance, beyond the producers of private label merchandise (reportedly a very small portion of merchandise);

TJX's failure to disclose adequate due diligence mechanisms has caused a low score on human rights benchmarking. The preeminent UN Guiding Principles on Business and Human Rights (UNGPR) specify due diligence principles for human rights commitments, including assessing actual and potential human rights impacts, integrating and acting upon findings, tracking responses, and communicating remedies;

The World Benchmarking Alliance's 2020 Corporate Human Rights Benchmark evaluated companies against the UNGPR. TJX was one of the poorest scoring apparel companies evaluated – of 26 possible points, TJX scored 4, including zero on each Human Rights Due Diligence indicator;

Ample evidence of severe human rights violation risk exists in TJX supply chains:

- In numerous countries from which TJX sources, the Department of Labor has found evidence of forced or child labor in manufacture of footwear, garments, textiles, toys, jewelry, and leather;
- The Coalition to End Forced Labour in the Uyghur Region reports that virtually the entire apparel and footwear industry is tainted by forced Uyghur and Turkic Muslim Labour and that TJX has not yet taken all credible steps¹ to prevent forced labor of Uyghurs in its supply chain;
- U.S. garment manufacturers employ millions of undocumented workers which are unquestionably more vulnerable to labor exploitation.² The industry's multiple levels of contracting, intense industry competition, and dysfunctional immigration policies impede efforts to establish and sustain a legal, safe, and fair working environment³;
- Also in the U.S., half the incarcerated population works in some way. Research indicates that over 60,000 incarcerated people work in correctional industries annually – an industry worth \$1 billion. Most are paid subminimum wages; some are coerced or forced to work in inhumane conditions. Some incarcerated workers are also known to produce merchandise sold at U.S. retailers.

RESOLVED: Shareholders of TJX Companies urge the Board of Directors to oversee a third-party assessment and report to shareholders, at reasonable cost and omitting proprietary information, assessing the effectiveness of current company due diligence in preventing forced, child, and prison labor in TJX's supply chain.

SUPPORTING STATEMENT: Shareholders recommend that the report, at Board and management's discretion:

- Assess risks that TJX's existing approach, lacking systematic verification of compliance with the Vendor Code of Conduct, could lead to occurrences of forced, child, or prison labor in the supply chain;
- Evaluate related risks to company finances, operations, and reputation;
- Examine whether requiring third-party environmental and social audits of vendors would reduce such risks, and any rationale for not requiring such audits;
- Draw upon guidance of international standards such as the UNGPR and the ILO Indicators of Forced Labor.⁴

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2. https://www.verite.org/wp-content/uploads/2016/11/Undocumented_US_Garment_Workers.pdf

3. https://www.verite.org/wp-content/uploads/2016/11/Undocumented_US_Garment_Workers.pdf

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Report on Forced Labor

Apple Computer, Inc.

RESOLVED that shareholders of Apple, Inc. {Apple} ask the Board of Directors to oversee the preparation of a report, at reasonable cost and omitting confidential and proprietary information, on the extent to which Apple's policies and procedures effectively protect workers in its supply chain from forced labor, including the extent to which Apple has identified suppliers and sub-suppliers that are at significant risk for forced labor violations, the number of suppliers against which Apple has taken corrective action due to such violations, and the availability and use of grievance mechanisms to compensate affected workers. The report should be posted to Apple's website.

SUPPORTING STATEMENT

Apple relies on over 200 suppliers globally for product components. These suppliers and sub-suppliers may be at significant risk for forced labor if they have facilities in areas with a high risk of forced labor, or source inputs from such areas.

Apple's Code of Conduct {2005} lists forced labor as a 'core violation' of its policy, with suppliers required to 'ensure that all work is voluntary' and prohibited from traffic[king] persons or us[ing] any form of slave, forced, bonded, indentured, or prison labor.' The Code also states suppliers must undertake due diligence and allow Apple access to their facilities to evaluate suppliers and sub-suppliers' compliance.²

Apple's Human Rights Policy {2020} states its desire 'to be a force for good in the lives of people in our supply chain', and asserts that Apple works 'hand in hand with our suppliers to ensure that every workplace provides a safe and respectful environment for everyone'.³

It has been reported that at least nine⁴ companies in Apple's supply chain participate in the government of China's forced labor program. Reports suggest that Apple severed ties with Ofilm Group over allegations that it's involved in that program.

Following evidence since 2017 of millions of Uyghurs and other Turkic Muslims being forced into internment camps and related labour programs,⁵ the Parliaments of the UK and Canada and the US State Department recognized this as a genocide.⁶

US Congress is actively working to pass legislation to create a 'rebuttable presumption' that goods from the Uyghur region are made with forced labor and will be prohibited from entering the US unless 'clear and convincing' evidence can be shown to the contrary.⁷

The proposed report is intended to mitigate this regulatory risk, given Apple's dependence on suppliers operating under a government accused of genocide.

We urge shareholders to vote for this Proposal.

1. <https://www.investopedia.com/articles/investing/090315/10-major-companies-tied-apple-supply-chain.asp>

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3. https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/Apple-Human-Rights-Policy.pdf p2

4. <https://appleinsider.com/articles/21/05/10/seven-apple-suppliers-linked-to-chinese-forced-labor-programs>; <https://www.bloomberg.com/news/articles/2021-03-17/shares-of-china-s-ofilm-drop-after-firm-loses-foreign-customer>; <https://www.theverge.com/2020/12/29/22204920/lens-technology-uyghur-forced-labor-xinjiang-amazon-apple-tesla>

5. <https://edition.cnn.com/interactive/2020/02/asia/xinjiang-china-karakax-document-intl-hnk/>

6. <https://www.cnn.com/2021/04/22/world/uk-china-uyghur-genocide-motion-ghr-intl/index.html>

7. <https://mcgovern.house.gov/news/documentsingle.aspx?DocumentID=398673>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 281.

Human Rights in Supply Chain - Farmworkers

Kroger Co.

Whereas: The pandemic has disproportionately harmed farmworkers¹ and exacerbated existing risks of human rights violations in agriculture, including slavery,² sexual assault,³ and unsafe working conditions (including climate change induced heat exhaustion⁴). For example, in October 2021, U.S. Customs and Border Protection (CBP) banned imports of tomatoes from certain Mexican farms with indications of forced labor, possibly Kroger suppliers.⁵ In November 2021, U.S. prosecutors indicted 24 defendants for a forced labor conspiracy involving over 70,000 farmworkers.⁶

Kroger claims to address human rights risks through a Supplier Code of Conduct and social compliance audits by two auditors, SGS and UL.⁷ Both have weak track records, such as approval of factories that subsequently collapsed⁸ or burned down,⁹ resulting in deaths.

CBP itself published guidance noting traditional social audits are ineffective at identifying and reducing forced labor in supply chains, instead recommending worker-driven solutions including the Fair Food Program (FFP).¹⁰

Yet Kroger is an outlier—compared to peers like Walmart, Whole Foods, Ahold, Fresh Market, and Trader Joe’s—in not having joined the FFP. The FFP enforces COVID-19 safety protocols,¹¹ heat stress protections,¹² and a zero-tolerance policy for forced labor and sexual assault,¹³ through worker-centered audit and complaint mechanisms backed by mandatory market consequences. It is the recognized gold standard for monitoring human rights in supply chains,¹⁴ lauded by the United Nations,¹⁵ the Obama-Biden administration,¹⁶ and others.¹⁷

In May 2021, Kroger adopted a Statement on Human Rights that relies on social audits, worker surveys, and limited impact assessments.¹⁸ Failing to join the FFP may nevertheless allow legal,¹⁹ reputational, and supply chain risks to persist.

RESOLVED: Shareholders request the Board issue a report, at reasonable cost and omitting proprietary information, addressing the extent to which, during the pandemic, Kroger’s Statement on Human Rights (Statement) has effectively protected farmworkers in its North American supply chain from human rights violations, including forced labor, sexual assault, heat exhaustion, and COVID-19. This report should detail any mechanisms similar to the Fair Food Program, including:

- Whether Kroger has required its North American produce suppliers (Suppliers) to implement COVID-19 worker safety and heat stress prevention protocols (Safety Protocols), and, if so, the content of those Safety Protocols;
- The number of times Kroger suspended a Supplier for violating the Statement or Safety Protocols, and the specific grounds for each such suspension;
- A list of the total number of Supplier locations purchased from, how often Kroger social compliance audits were conducted on-site at each such location, and the number of farmworkers personally interviewed there by the auditor;
- Whether Kroger ensured its Suppliers’ farmworkers had access to a third-party grievance mechanism, with the authority to order a remedy, for reporting Statement or Safety Protocol violations, and, if so, the required procedures, number of such grievances filed, and outcomes of all such grievances.

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2. https://polarisproject.org/wp-content/uploads/2021/06/Polaris_Labor_Exploitation_and_Trafficking_of_Agricultural_Workers_During_the_Pandemic.pdf

3. <https://www.theatlantic.com/business/archive/2018/01/agriculture-sexual-harassment/550109/>

4. <https://www.bloomberg.com/news/articles/2021-08-12/farmworkers-overheat-on-frontlines-of-climate-change>

5. <https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-tomatoes-produced-farm-mexico>;

<https://www.latimes.com/california/story/2021-12-31/u-s-blocks-tomato-shipments-from-mexican-farms-accused-of-abusing-workers>

6. <https://ciw-online.org/blog/2021/11/breaking-u-s-doj-busts-sprawling-modern-day-slavery-operation-in-fields-of-south-georgia/>

7. <https://www.thekrogerco.com/wp-content/uploads/2017/09/faqs.pdf>

8. <https://cleanclothes.org/file-repository/figleaf-for-fashion.pdf>;

9. <https://www.tandfonline.com/doi/full/10.1080/14747731.2017.1304008>

10. <https://www.cbp.gov/sites/default/files/assets/documents/2021-Aug/CBP%202021%20VTW%20FAQs%20%28Forced%20Labor%29.pdf>

11. <https://www.nytimes.com/live/2021/01/05/dining/food-industry-coronavirus>

12. <https://www.naplesnews.com/story/news/environment/2021/09/03/coalition-immokalee-farmworkers-protects-workers-rising-temperatures-climate-change/5699013001/>

13. <https://www.fairfoodprogram.org/wp-content/uploads/2021/11/Attachable-Size-SOTP-2021-Report.pdf>

14. https://www.msi-integrity.org/wp-content/uploads/2020/07/MSI_Not_Fit_For_Purpose_FORWEBSITE.FINAL_.pdf

15. <https://www.ohchr.org/Documents/Issues/Business/UNGP10/Stocktaking-reader-friendly.pdf>

16. <https://www.news-press.com/story/news/local/amy-williams/2015/01/30/coalition-immokalee-workers-gets-presidential-medal/22623915/>

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19. <https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf>

End Child Labor in Cocoa Production Hershey Company

RESOLVED: Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

WHEREAS: Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization's definition of the worst forms of child labor.¹ ILO Convention 182 calls for urgent action to eliminate these forms and Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025, yet international agreements have repeatedly failed to eradicate hazardous child labor from the cocoa supply chain.²

Twenty years ago, Hershey's CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.³ After repeatedly amending the Protocol's timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60% of cocoa is produced.⁴

While Hershey has a Human Rights Policy and Cocoa for Good strategy, these initiatives have failed to meaningfully address systemic poverty as a root cause of child labor. Adopting a Living Wage and Income Position Statement in 2021 was a positive step; however, an Oxfam report criticizes Hershey for stating support for a living wage without a concrete, timebound commitment and accompanying action plan to realize it.⁵ Investors lack sufficient information to assess how Hershey's living wage statement will help eradicate child labor in its cocoa supply chain.

Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges Hershey knowingly profited from the illegal and systematic use of child labor.⁶ In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.⁷ In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as sustainably or responsibly produced.⁸

While Hershey indicates it met its goal to source 100% certified and sustainable cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.⁹ Hershey also makes misleading and dangerous claims about appropriate child work on family farms, contradicting international frameworks to end child labor in all forms.¹⁰

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2. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_IL0_CODE:C182 ; <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>
3. https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf
4. <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>
5. https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf ; https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..
6. <https://www.internationalrightsadvocates.org/cases/tevracoubaly>
7. <http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>
8. <https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ; <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3B4te-d%E2%80%99ivoire-and-ghana.aspx>
9. https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html
10. https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html

Child Sexual Exploitation Online Meta (Facebook Inc.)

WHEREAS: Child sexual exploitation online (and Child Sexual Abuse Material—CSAM) is an escalating threat to children worldwide. The exponential growth of CSAM is directly tied to the growth of social media and the increasing number of children online.¹

In 2020, the National Center for Missing and Exploited Children (NCMEC) received 21.7 million reports of CSAM. Of these, 20.3 million reports—or 94 percent—stem from Facebook and its platforms, including Messenger and Instagram.² This represents an increase of 28 percent from Facebook’s nearly 17 million reports in 2019.

Facebook’s plan to apply end-to-end encryption to all of its messaging platforms set off a storm of criticism. Government agencies, law enforcement, and child protection organizations worldwide claim that it will cloak the actions of child predators, make children more vulnerable, and that millions of CSAM incidents will go unreported.³

Facebook touts its leadership in combating CSAM, yet NCMEC estimates that Facebook’s end- to-end encryption plans could effectively make invisible 70 percent of CSAM cases. Facebook’s encryption takes on more urgency as COVID has led to a significant increase in CSAM and grooming activities.⁴ Facebook whistleblower Frances Haugen said Facebook’s efforts to remove CSAM were inadequate and under-resourced.⁵

Monika Bickert, Facebook’s Vice President of Global Policy Management, testified in the British House of Commons and was asked how many CSAM cases would disappear if the company implements end-to-end encryption. Ms. Bickert replied that she didn’t know but if it’s content we cannot see then it’s content we cannot report.⁶

A letter from 120+ child protection organizations wrote Facebook saying its encryption plans presents an unacceptable risk to children, and would arguably make your services unsafe.⁷

Law enforcement leaders worldwide rely heavily on Facebook’s tips to pursue online child predators and have contacted Facebook raising concerns that its encryption plan would make it unable to track millions of CSAM cases and be harder to identify both victims and abusers.^{8,9} The U.S., UK and other countries have proposed legislation wherein companies could lose civil liability protections for CSAM and make it easier to sue platforms that knowingly facilitated child sex trafficking and exploitation.^{10, 11, 12} In 2020, 79 percent of U.S. underage sex trafficking victims recruited online were recruited through Facebook or Instagram.^{13, 14}

The proponents support online privacy. But, like many others, our concern is that it should not come at the cost of child safety, as well as and potential regulatory, reputational and legal risk to Facebook.

RESOLVED: Shareholders request that the Board of Directors issue a report by February 2023 assessing the risk of increased sexual exploitation of children as the Company develops and offers additional privacy tools such as end-to-end encryption. The report should address potential adverse impacts to children (18 years and younger) and to the company’s reputation or social license, assess the impact of limits to detection technologies and strategies, and be prepared at reasonable expense and excluding proprietary/confidential information.

1. <https://www.nytimes.com/interactive/2019/09/28/us/child-sex-abuse.html>

2. <https://www.missingkids.org/content/dam/missingkids/gethelp/2020-reports-by-esp.pdf>

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7. <https://www.nspcc.org.uk/globalassets/documents/policy/letter-to-mark-zuckerberg-february-2020.pdf>

8. <https://www.businessinsider.com/facebook-encryption-harder-catch-criminals-child-abuse-2020-10>

9. <https://www.kahawatungu.com/facebook-ranks-top-on-list-of-social-media-apps-used-to-exploit-minors-in-kenya-report/>

10. <https://www.reuters.com/article/us-usa-technology-encryption/u-s-legislation-targets-online-child-sexual-abuse-threatens-encryption-on-facebook-google-idUSKBN20S2HF>

11. <https://www.rollcall.com/2021/10/05/facebook-whistleblower-calls-on-congress-to-rein-in-company-over-targeting-of-children/>

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No Business with Governments Complicit in Genocide - Myanmar

Chevron Corp.

WHEREAS: Chevron, in partnership with Total, PTT, and Myanmar Oil and Gas Enterprise (MOGE), holds equity in one of the largest investment projects in Myanmar (Burma): the Yadana gas field and pipeline that has generated billions of dollars for the Myanmar military junta. Together, Total and Chevron have a majority controlling interest in Yadana project.

In Myanmar, foreign participation in the energy sector takes place through joint ventures with the MOGE, which is a department of the Myanmar government. Since it seized power in the February 1st, 2021, coup d'état, the Myanmar military now holds total control over MOGE.

The United States and United Kingdom have imposed sanctions against Myanmar military-owned companies. A bipartisan group of senators have urged the US administration to place sanctions on MOGE.

The Myanmar military has a long history of egregious human rights abuses, particularly against ethnic minorities. In August 2017, a military crackdown caused an estimated more than 700,000 Rohingya to flee to neighboring Bangladesh where they remain to this day. The U.S. Holocaust Memorial Museum has reported that the Rohingya remain at grave risk of additional mass atrocities and even genocide.

Nicholas Koumjian, head of the United Nations Independent Investigative Mechanism for Myanmar, stated in November 2021, that preliminary evidence collected since the military coup shows a widespread and systematic attack on civilians amounting to crimes against humanity.

The National Unity Government of Myanmar, made up of elected officials and civil society leaders, has called on the oil companies operating in Myanmar to withhold from the military junta and place in escrow any payments due to the Myanmar government.

Since the February 2021 military coup, the Blood Money Campaign by Myanmar and international civil society organizations has organized protests, consumer boycotts, and media pressure against companies, including Chevron, that provide financial support to the military junta. In addition, dozens of oil workers in Myanmar have petitioned oil companies to suspend payments to the ruling junta.

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 2022 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 in international law.

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 and/or crimes against humanity. It is incumbent that our board adopt policies that protect shareholder value from these risks.

Uyghur Forced Labor Supply Chain Audit

Loblaw Companies Ltd.

SCHEDULE A

As shareholders, we look to the companies to manage their human rights risks and address their human rights impacts as a demonstration of strong risk oversight and sound corporate governance. Loblaw has disclosed that its policies and practices are informed by, among other things, the UN Guiding Principles on Business and Human Rights (UNGPs). The UNGPs state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility requires that companies (i) be aware of their human rights risks and impacts, (ii) take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur, and (iii) publicly communicate how they are addressing their most salient human rights issues.

Aware of its responsibility to respect human rights through its value chain, and in response to concerns about forced and child labour in cotton harvests, Loblaw has pledged to not source cotton produced in Uzbekistan and Turkmenistan, and in early 2021 it expanded the scope of this pledge to include Xinjiang Uyghur Autonomous Region (XUAR) of China. In July 2021 Loblaw signed on to the world's leading sustainability initiative for cotton, known as the Better Cotton Initiative. However, according to shipment data compiled by Dr. Laura Murphy, Professor of Human Rights and Contemporary Slavery at the Helena Kennedy Centre for International Justice at Sheffield Hallam University (UK), Loblaw imported textiles from XUAR as recently as August 2021.¹

Despite its efforts, Loblaw is not without controversy. A 2021 CBC Marketplace investigation also found that Loblaw was selling tomatoes produced with forced labour from both other brands and through Loblaw's private brand, President's Choice.²

The Corporate Human Rights Benchmark (CHRB) scored Loblaw poorly on human rights due diligence.³ Know the Chain has scored Loblaw poorly on traceability and supply chain transparency, supplier selection and monitoring disclosure.⁴

As part of their supply chain due diligence procedures, retailers across the globe (including Loblaw) conduct audits of suppliers. While Loblaw has begun disclosing the number of audits it conducts, its disclosure falls short of other large retailers. Both Walmart and Tesco disclose the number of audits conducted, as well as certain details on the results of those audits.^{5, 6}

Enhanced information on these audits would give investors key information to ensure that Loblaw's enterprise risks are being managed and mitigated.

RESOLVED: Shareholders request that, consistent with its global peers, Loblaw publish annually a summary of the results of its supplier audits.

1. Data is compiled using Panjiva Market Intelligence online database.

2. <https://www.cbc.ca/news/canada/marketplace-tomato-products-investigation-1.6227359>

3. <https://assets.worldbenchmarkingalliance.org/app/uploads/2020/11/George-Weston-CHRB-scorecard-2020.pdf>

4. <https://knowthechain.org/company/loblaw-companies-ltd-canada/>

5. <https://corporate.walmart.com/esgreport/esg-issues/people-in-supply-chains>

6. <https://www.tescopl.com/media/757629/human-rights-factsheet-v2.pdf>

Risks of Financing Nuclear Weapons

PNC Financial Services Group, Inc.

RESOLVED: Shareholders request that the Board of Directors issue a report, at reasonable cost and omitting proprietary information, assessing the effectiveness of PNC's Environmental and Social Risk Management (ESRM) systems at managing risks associated with lending, investing, and financing activities within the nuclear weapons industry.

SUPPORTING STATEMENT: The report may include:

- Review of PNC's existing financing to the nuclear weapons industry and associated actual and potential human rights impacts;
- An assessment of the legal, financial, regulatory, and reputational risks that PNC may face due to involvement with the nuclear weapons industry; and
- Evaluation of if and how PNC plans to reduce or eliminate its potential exposure to risks of nuclear weapons financing.

Whereas: Under the UN Guiding Principles on Business and Human Rights, PNC has a responsibility to address adverse human rights impacts that it may cause, contribute to, or be directly linked to its business.¹ This applies regardless of the size or scope of those activities.

PNC lends over \$1.9 billion to companies involved in the nuclear weapons industry,² many of which are failing to meet their human rights responsibilities and have been connected to gross human rights violations, including those that could amount to war crimes.³ Nuclear weapons, by design, cause massive death and destruction, and long-term harm to human health, the environment, socioeconomic development, and social order.⁴ They are also illegal under international law.⁵ Despite the severity and likelihood of harm related to nuclear weapons, PNC's ESRM and rapid risk screening do not explicitly address risks of financing any controversial weapons and do not identify the defense sector as presenting elevated risk. PNC's processes appear to lack an analysis of social risks, as it has not publicly identified any sectors that require elevated due diligence because of exposure to social risk.⁶

PNC faces significant legal, financial, and reputational risks if it continues to be linked to the nuclear weapons industry. Following the Treaty on the Prohibition of Nuclear Weapons' entry into force in January 2021, investor screens for nuclear weapons companies have been increasing. Over 90 financial institutions appear to have stopped funding activities to the nuclear weapons industry, and at least 35 financial institutions have adopted policies to prohibit lending altogether.⁷

In response to public pressure, PNC reevaluated its financing of private prisons and mountaintop removal mining.⁸ Despite the severe human rights risk and business risks from nuclear weapons financing, PNC has failed to take similar action.

Increasing scrutiny of lending practices and international pressure for nuclear disarmament escalates the risk to PNC and exposes the company to reputational risk as a retail banker. For example, the 'Stop Banking the Bomb Campaign' has held over 75 demonstrations outside of PNC offices, including during PNC's shareholder meetings, calling for divestment from nuclear weapons manufacturers.⁹

1. https://www.ihrb.org/uploads/submissions/John_Ruggie_Comments_Thun_Banks_Feb_2017.pdf

2. <https://www.dontbankonthebomb.com/wp-content/uploads/2021/11/2021-Perilous-Profitteering-final.pdf>

3. <https://www.amnesty.org/download/Documents/ACT3008932019ENGLISH.PDF>

4. <https://www.icrc.org/en/document/humanitarian-impacts-and-risks-use-nuclear-weapons>

5. <https://www.un.org/disarmament/wmd/nuclear/tpnw/>

6. <https://www.pnc.com/en/about-pnc/corporate-responsibility/corporate-social-responsibility/governancerisk/values-business.html>

7. <https://www.dontbankonthebomb.com/>

8. <https://www.pnc.com/en/about-pnc/corporate-responsibility/corporate-social-responsibility/governancerisk/values-business.html>;

https://www.pnc.com/content/dam/pnccom/pdf/aboutpnc/CSR/PNC_2019_CSR_Report.pdf

9. <http://www.nuclearban.us/stop-banking-the-bomb-the-campaign-to-get-pnc-bank-to-divest-from-nuclearweapons/>;

<https://newpeoplenewspaper.com/2020/07/31/stop-banking-the-bomb-resumes-pickets-at-pnc/>

Ghost Guns

MasterCard Incorporated

RESOLVED: Shareholders request the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if and how MasterCard Inc. (MasterCard or The Company) intends to reduce the risk associated with the processing of payments involving its cards and/or its electronic payment system services for the sale and purchase of untraceable firearms, including Buy, Build, Shoot firearm kits, components, and/or accessories used to assemble privately made firearms known as Ghost Guns.

SUPPORTING STATEMENT: In addition to the health and safety risk to society, gun violence has a negative financial effect both in the short and long term, as it suppresses productivity and economic activity, destabilizes communities, and reduces business confidence.

Companies have an important and constructive role to play in ensuring their activities do not contribute to community violence.

Technological advances have also made it easier for unlicensed persons to make firearms at home from standalone parts or weapon parts kits. Sellers of Ghost Gun kits advertise that their products are meant to be built into operable firearms with no serial number, records, or background check.

Ghost Guns are routinely seized from individuals who are prohibited by law from possessing firearms. When made for personal use, Ghost guns, are not required to have a serial number, making it difficult for law enforcement to determine where, by whom, or when they were manufactured, and to whom they were sold or otherwise distributed.

From January 1, 2016, through December 31, 2020, there were approximately 23,906 suspected Ghost Guns reported to the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) as having been recovered by law enforcement from crime scenes, including 325 homicides or attempted homicides, which includes students who were killed during mass school shootings.¹

The growing number of Ghost Guns is alarming to law enforcement officials across the country. The Baltimore Police Department reported that in 2020, 29 of the 126 Ghost Guns seized were from people who were too young to legally possess a firearm.² The ATF Los Angeles Field Division has stated that 41% of their cases involve Ghost Guns.³

MasterCard receives payment for the use of its services and profits from its partnership with acquiring banks and the Ghost Gun retailers they support.

Given the risks associated with the nature of the untraceable firearms business, as investors we are concerned that the continued use of MasterCard credit cards and/or its electronic payment system services to facilitate the sale of firearm kits, components, and/or accessories used to assemble Ghost Guns, present regulatory, reputational, legal, and financial risks to investors.

Therefore, we urge the Board and management to assess The Company's policy related to untraceable firearm transactions and report to shareholders on how it manages risks related to these transactions.

1. <https://www.federalregister.gov/documents/2021/05/21/2021-10058/definit...-of-firearms>

2. <https://foxbaltimore.com/news/local/bpd-discusses-startling-spike-in-un...>

3. <https://abc7.com/ghost-guns-california-gun-laws-kits/5893043/>

Lobbying and Political Contributions

CCR members have long pressed companies on the risks posed by their political and lobbying activities, and called for **greater accountability and transparency** around these expenditures.

Each year, corporations channel millions of dollars to political candidates, parties, and committees to influence elections at state and national levels. Although more than 60 corporations paused their political donations following the January 6 attack on the U.S. Capitol, many have since resumed these activities.

Corporate memberships in, and payments to, tax-exempt groups including trade associations like the U.S. Chamber of Commerce and the American Legislative Exchange Council (ALEC), are not entirely public. Shareholders argue these investments may constitute a **significant reputational risk**, particularly if these investments are not in alignment with a company’s stated values and objectives.

At 55, proposals addressing lobbying and political spending were the fifth-most popular category this year, more than double the number we saw last year. The bulk of these filings focused on **lobbying disclosure**.

Tech companies — including Alphabet, Amazon, Meta, Netflix and Salesforce — all received proposals seeking greater lobbying disclosure. **REITs** were also called out for their impacts on affordable housing. **Gig economy giant** Uber also received a resolution. **Pharma and healthcare** companies also once again received a number of lobbying resolutions.

ICCR members this year also filed 17 resolutions on **political spending** — nearly twice last year’s amount.

Lobbying and Political Contributions 55

Proposal Topic **Quantity**

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

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While three lobbying and political spending resolutions again referenced the January 6 insurrection, there was a greater emphasis this year (seven resolutions) on the ways corporate political giving is increasingly used to fund the **suppression of voting rights** — particularly gerrymandering and racist voter suppression in states like Georgia, Texas and Virginia. **Racial justice** also emerged as a clear theme.

Many of this year’s lobbying and political spending proposals followed a familiar format, with calls for detailed data on spending amounts and recipients, however, several new resolutions focused increasingly on driving **alignment between a company’s political activities and its public commitments on key issues**.

Investor work on lobbying disclosure is spearheaded by the American Federation of State, County and Municipal Employees, and Boston Trust Walden, while investor work on political spending is coordinated by the Center for Political Accountability.

Note that this year’s resolutions addressing Paris-aligned climate lobbying — a featured campaign of ICCR’s climate crisis program — are discussed in the Climate section of the Guide on page 19.



**Marcela Pinilla, Director,
Sustainable Investing —
Zevin Asset Management**

Investors in the United States have a massive blind spot where corporate influence converges with policymaking. **Companies often lobby behind the scenes** by belonging to trade associations or by funding groups disguised as impartial issue advocates but that represent corporate objectives. These organizations conceal the provenance of their funding, infiltrate the policy-making process, and seek to sway public opinion, often with misinformation. These actions create a haze that harms what should be a transparent and democratic process representing the best interests of society.

Often, the positioning and activities of these groups are directly at odds with companies' publicly stated values. For example, a corporation may endorse racial equity and commit to diversity, equity, and inclusion, yet may lobby, whether they realize they are complicit or not, in favor of advancing voting restrictions. This lack of oversight of policy engagement can result in a misalignment of stated values and actions. When a corporation's lobbying activities do not match their stated commitments, the corporation exposes itself to incongruity, eroding trust, and jeopardizes its credibility.

Corporations tend to claim that their trade association dues and 501c4 contributions are "de minimis," or inconsequential, but their support adds to the cumulative contributions that fuel and amplify the influence of "dark money". In effect, these activities negatively impact the policy-making process in its substance, ambition, and timing. Because lobbying bodies act on behalf of companies, it is important to understand how and where companies allocate their lobbying dollars. Investors request lobbying-related disclosure with the intention of revealing true corporate interests.

Lobbying Expenditures Disclosure

Companies can give unlimited amounts to third party groups that then spend millions on lobbying and on undisclosed grassroots activity. Amazon, notably, spent nearly \$19 million on federal lobbying in 2020 and was the largest corporate spender during the first half of 2021. It also reportedly undermined privacy protections in more than three dozen bills across 25 states.

Investors asked 31 companies this year, including **Alphabet, Amazon, Disney, Meta, Netflix, Uber** and **Walmart** to disclose their policies and procedures governing their lobbying, both direct and indirect and grassroots, and payments, including amounts and recipients. The Alphabet resolution cited concerns over voter restrictions, school mask mandates and climate regulations. Amazon's cited voter suppression and climate concerns as well as tax avoidance. The Uber resolution cited deliberate worker misclassification as contractors. **REITS Douglas Emmett** and **Healthpeak Properties'** resolutions cited concerns for their lobbying's impact on housing evictions and affordable housing.



Lobbying Alignment

In light of commitments that pharmaceutical companies have made about equity and access, investors are concerned that there is an incongruence between company commitments and actions made via their lobbying activity, which often occurs through trade associations such as PhRMA, Bio and IFPMA.

Investors asked four pharma companies – **Amgen, Lilly, Gilead** and **Johnson & Johnson** – for a review of how their direct and indirect lobbying aligns with their stated positions.

Political Contributions Misalignment

Misalignment between a companies' stated policies and its political activities carries significant risk. For instance, companies that have made contributions to lawmakers who have pushed legislation to restrict voting access have faced consumer boycotts. In addition BlackRock has indicated that it may vote in favor of shareholder proposals addressing political contributions misalignment, highlighting that it considers the matter to be a significant corporate risk.

Investors asked 10 companies this year including **AbbVie, AT&T, Dominion Energy, Eli Lilly,** and **JPMorgan Chase** to issue reports describing if and how their political activities align with their stated commitments to racial equity and justice, including voting rights.



Political Contributions

Trade associations, Super PACs, 527 committees, and “social welfare” organizations all routinely pass money to, or spend on behalf of, candidates and political causes that a company might not wish to support, or which are directly opposed to its stated values.

Investors asked ten companies, including **Costco Wholesale, Exxon Mobil, PPG Industries** and **Walgreens Boots Alliance** to issue reports disclosing their policies and procedures for making electoral contributions including monetary and non-monetary contributions, both direct and indirect, specifying the identities of the recipients and amounts paid to each.

Lobbying Expenditures Disclosure

Meta (Facebook Inc.)

Whereas, we believe in full disclosure of Meta Platforms, Inc.'s lobbying activities and expenditures to assess whether its lobbying is consistent with Meta's expressed goals and in stockholder interests.

Resolved, stockholders request the preparation of a report, updated annually, disclosing:

- Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
- Payments by Meta used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
- Description of management's and the Board's decision-making process and oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Meta 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 and posted on Meta's website.

Meta's lobbying has attracted heightened scrutiny and criticism in the wake of leaked internal documents indicating that the company has misled Congress, the public and securities regulators about risks to users, particularly youth.¹ In 2020, Meta spent \$19.6 million on U.S. federal lobbying, the most of any tech company.² In the same year, Meta spent €5,500,000 lobbying in Europe, the second largest lobbying spender across the continent.³ Yet, Meta fails to itemize how these amounts are spent and does not provide sufficient detail on their lobbying activities and oversight by management and the board.

We believe investors have a right to know how much of Meta's payments to the 197 trade associations, social welfare groups (SWGs) and nonprofits that it disclosed in 2020 were used for lobbying and public policy advocacy. This includes payments to the Chamber of Commerce, dark money social welfare groups that lobby like the National Taxpayers Union and Taxpayers Protection Alliance,⁴ and partisan nonprofits.

Meta's lack of disclosure presents reputational risks when its lobbying contradicts the company's public positions. For example, Meta has taken some strong leadership positions on climate change with pledges to use renewable energy to power its operations and reduce its carbon footprint yet is a member of and contributes to the Competitive Enterprise Institute (CEI), a strong critic of climate science and opponent of legislation addressing climate change.⁵

Meta's lobbying should be transparent and in alignment with the mission and highest principles of the company. Yet, Meta staff are on record complaining about lobbyists' power to shape decisions and strategy within the company.⁶

We urge Meta to expand its disclosure of its lobbying and public policy advocacy.

1. <https://www.bloomberg.com/news/articles/2021-10-21/facebook-spends-5-1-million-on-lobbying-as-leaks-shine-light>.

2. <https://www.opensecrets.org/news/2021/10/facebook-maintained-big-lobbying-expenses-senate-hearing-teen-social-media-use/>.

3. <https://www.reuters.com/technology/google-facebook-microsoft-top-eu-lobbying-spending-study-2021-08-30/>.

4. <https://www.opensecrets.org/news/2021/06/dark-money-groups-battle-efforts-to-limit-big-tech/>.

5. <https://cei.org/studies/a-citizens-guide-to-climate-change/>.

6. <https://www.politico.com/news/2021/10/25/facebook-fatal-flaw-technologists-lobbyists-516927>.

Lobbying Expenditures Disclosure

Alphabet, Inc.

A similar resolution was submitted to The Charles Schwab Corporation.

WHEREAS, full disclosure of Alphabet's lobbying activities and expenditures to assess whether its lobbying is consistent with Alphabet's expressed goals and stockholders' best interests.

RESOLVED, stockholders 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 Alphabet used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in sections 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 Alphabet 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 and posted on Alphabet's website.

Supporting Statement: Alphabet fails to provide an annual report breaking out its lobbying payments by federal, individual states, trade associations (TAs) and social welfare groups (SWGs). Alphabet spent \$93,960,000 on federal lobbying from 2015 – 2020. This does not include state lobbying, where Alphabet also lobbies but disclosure is uneven or absent. For example, Alphabet spent \$1,895,971 lobbying in California from 2015 – 2020. Alphabet also lobbies abroad, spending €7,750,000 as the top lobbying spender in Europe for 2020.¹

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending at least double what's publicly reported.²

Alphabet lists support of 378 TAs, SWGs and nonprofits for 2020, yet fails to disclose its payments, or the amounts used for lobbying. Alphabet belongs to the Chamber of Commerce and Business Roundtable, which have spent over \$2 billion on lobbying since 1998, supports SWGs that lobby like Americans for Tax Reform and Taxpayers Protection Alliance, and funds controversial nonprofits like the Competitive Enterprise Institute (CEI)³ and Independent Women's Forum (IWF).

Alphabet's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Alphabet believes in addressing climate change, but the Chamber and CEI undermined the Paris climate accord. Alphabet signed a statement opposing state voter restrictions, yet the Chamber lobbied against the For the People Act.⁴ Alphabet has funded a bevy of political groups, including those producing positive polling, and engaged in other fingerprint-free tactics designed to deter regulators.⁵ And while Alphabet funds IWF, IWF is a partner of Stop Corporate Tyranny⁶ and has promoted opposition to school mask mandates.⁷ We urge Alphabet to expand its lobbying disclosure.

1. <https://www.reuters.com/technology/google-facebook-microsoft-top-eu-lobbying-spending-study-2021-08-30/>.

2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

3. <https://www.nytimes.com/2019/07/10/climate/nyt-climate-newsletter-cei.html>.

4. <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.

5. <https://www.washingtonpost.com/technology/2020/06/10/amazon-facebook-google-political-allies-antitrust/>.

6. <https://www.exposedbycmd.org/2021/09/07/alec-claims-credit-for-voter-suppression-and-anti-critical-race-theory-laws-at-secret-meeting/>.

7. <https://www.washingtonpost.com/politics/2021/10/01/masks-schools-koch-money/>

Lobbying Expenditures Disclosure

Amazon.com, Inc

WHEREAS, full disclosure of Amazon.com Inc's (Amazon) lobbying activities and expenditures to assess whether its lobbying is consistent with Amazon's expressed goals and shareholders' best interests.

RESOLVED, shareholders request the preparation of a report, updated annually, disclosing:

- Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
- Payments by Amazon used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

Description of management's and the Board's decision-making process and oversight for making payments described in sections 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 Amazon 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 and posted on Amazon's website.

SUPPORTING STATEMENT: Amazon fails to provide an annual report detailing its lobbying payments by individual states, trade associations (TAs) and social welfare groups (SWGs). Amazon spent \$18.7 million on federal lobbying in 2020 and was the largest corporate spender for the first half of 2021.¹ Amazon lobbies extensively at the state level and reportedly killed or undermined privacy protections in more than three dozen bills across 25 states.² Amazon lobbies abroad, spending between €750,000 – 3,999,999 on lobbying in Europe for 2020.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending at least double what's publicly reported.³ Amazon lists support of \$10,000 or more to 248 TAs, SWGs and nonprofits for 2020, yet fails to disclose its payments, or the amounts used for lobbying. Amazon belongs to the Chamber of Commerce (Chamber), which has spent over \$1.7 billion on lobbying since 1998, supports SWGs that lobby like Americans for Tax Reform and Taxpayers Protection Alliance, and funds controversial nonprofits like the Competitive Enterprise Institute⁴ and Independent Women's Forum.⁵

Amazon's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, while Amazon strives to be Earth's Best Employer, it attracted attention for hiring lobbyists that worked for TAs opposing unions.⁶ Amazon cofounded the Climate Pledge for net zero carbon emissions by 2040, but the Chamber undermined the Paris Climate Accord.⁷ Amazon signed a statement opposing state voter restrictions, yet the Chamber lobbied against the For the People Act.⁸ While Amazon publicly embraced corporate tax hikes, it lobbied to preserve its tax breaks⁹ and has drawn scrutiny for avoiding federal income taxes.¹⁰

1. <https://www.opensecrets.org/news/2021/10/amazon-dominates-lobbying-growing-telehealth-group/>.

2. <https://www.reuters.com/investigates/special-report/amazon-privacy-lobbying/>.

3. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

4. <https://www.nytimes.com/2019/07/10/climate/nyt-climate-newsletter-cei.html>.

5. <https://www.washingtonpost.com/politics/2021/10/01/masks-schools-koch-money/>.

6. <https://news.bloomberglaw.com/daily-labor-report/amazon-poaches-top-business-labor-lobbyists-amid-worker-activism>.

7. <https://www.eenews.net/stories/1063718517>.

8. <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.

9. <https://www.politico.com/news/2021/07/08/bezos-tax-amazon-498722>.

10. <https://itep.org/amazon-has-record-breaking-profits-in-2020-avoids-2-3-billion-in-federal-income-taxes/>.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Lobbying Expenditures Disclosure

Abbott Laboratories

Similar resolutions were submitted to AbbVie, Altria Group, Inc., Biogen, Inc. and Eli Lilly and Company

WHEREAS, we believe in full disclosure of Abbott Laboratories' (Abbott) direct and indirect lobbying activities and expenditures to assess whether Abbott's lobbying is consistent with its expressed goals and in the best interests of stockholders.

RESOLVED, the stockholders of Abbott request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Abbott used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Abbott's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision-making process and the Board's oversight for making payments described in section 2 above.

For purposes of this proposal, a grassroots lobbying communication is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. Indirect lobbying is lobbying engaged in by a trade association or other organization of which Abbott is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Public Policy Committee and posted on Abbott's website.

SUPPORTING STATEMENT: Abbott spent \$36,700,000 from 2010 – 2019 on federal lobbying. This figure does not include state lobbying, where Abbott also lobbies in 37 states¹ but disclosure is uneven or absent. For example, Abbott spent \$896,284 on lobbying in California from 2010 – 2019.

Abbott sits on the board of the Chamber of Commerce, which has spent over \$1.6 billion on lobbying since 1998, and the boards of the Advanced Medical Technology Association and the Medical Device Manufacturers Association, which together spent \$9,300,408 on lobbying for 2018 and 2019 and have drawn scrutiny for lobbying to weaken mandatory disclosure of medical device incidents.² Abbott does not disclose its payments to trade associations and social welfare organizations, or the amounts used for lobbying.

We are concerned that Abbott's lack of lobbying disclosure presents significant reputational risk when its lobbying contradicts company public positions. For example, Abbott publicly supported COVID-19 relief efforts, but the Chamber directly lobbied against using the Defense Production Act for production of personal protective equipment for workers.³ Abbott supports the World Health Organization's goal of increasing breastfeeding rates, its lobbying on attracted scrutiny after the Trump administration blocked a World Health Organization resolution encouraging breastfeeding.⁴ And Abbott drew attention and ultimately cut ties with one of its lobbyists over his controversial statements about Black Lives Matter.⁵

We believe the reputational damage stemming from these misalignments harms long-term value creation by Abbott. Thus, we urge Abbott to expand its lobbying disclosure.

1. <https://publicintegrity.org/state-politics/here-are-the-interests-lobbying-in-every-statehouse/>

2. <https://www.nbcnews.com/health/health-care/medical-device-makers-spend-millions-lobbying-loosen-regs-d-c-n940351>.

3. <https://corporatereformcoalition.org/chamber-dpa>.

4. <https://www.theatlantic.com/health/archive/2018/07/the-epic-battle-between-breast-milk-and-infant-formula-companies/564782/>.

5. <https://www.thedailybeast.com/trump-campaign-begins-paying-matt-schlapp-as-his-lobbying-clients-flee>

Lobbying Expenditures Disclosure

Caterpillar Inc.

A similar resolution was submitted to Invesco Ltd.

WHEREAS full disclosure of Caterpillar's direct and indirect lobbying activities and expenditures to assess whether Caterpillar's lobbying is consistent with its expressed goals and in stockholders' best interests:

RESOLVED, stockholders request the preparation of a report, updated annually, disclosing:

- Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
- Payments by Caterpillar used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case, including the amount of the payment and the recipient.
- Caterpillar's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
- 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 Caterpillar is a member.

Both direct and indirect lobbying and grassroots lobbying communications include local, state, and federal efforts.

The report shall be presented to the Public Policy and Governance Committee and posted on Caterpillar's website.

SUPPORTING STATEMENT

Caterpillar spent \$42,850,000 from 2010 – 2020 on federal lobbying. This does not include state lobbying, where Caterpillar also lobbies, but disclosure is uneven or absent. For example, Caterpillar's lobbying against right-to-repair laws in states like New York has drawn attention.¹ Caterpillar also lobbies abroad, spending between €100,000–199,000 on lobbying in Europe for 2020.

Companies can give unlimited amounts to third-party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending at least double what's publicly reported.² Caterpillar fails to disclose any of its payments to trade associations and social welfare organizations, nor amounts used for lobbying, including grassroots.

Caterpillar belongs to the Business Roundtable, National Association of Manufacturers, and Chamber Commerce, which together spent \$108,148,000 on 2020 lobbying and drew attention for a massive lobbying blitz against raising corporate taxes to pay for infrastructure.³ Caterpillar does not disclose its contributions in tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC).

Caterpillar's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Caterpillar supports diversity and inclusion, yet groups have asked companies to leave ALEC because of its voter restriction efforts.⁴ Caterpillar supports mitigating climate change, yet the Chamber and Business Roundtable lobby to block climate action.⁵ Caterpillar supports government investments to modernize infrastructure, yet its trade associations lobbied against raising corporate taxes to pay for it.

1. <https://gizmodo.com/the-biden-administration-is-ready-to-go-to-war-over-ri-1847240802>.

2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

3. <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>.

4. <https://www.thenation.com/article/politics/alec-corporations-democracy/>.

5. <https://www.desmog.com/2021/10/22/corporate-tech-giants-climate-action-oil-lobbyists-state-capitols/>.

Lobbying Expenditures Disclosure

Douglas Emmett, Inc.

Resolved: The stockholders of Douglas Emmett, Inc. ask the Board of Directors to prepare a report, to be updated annually and posted on the Company's website, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Company payments 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. The Company'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, 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 in which Douglas Emmett is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

Supporting Statement: As a real estate investment trust, Douglas Emmett is in a business that can be affected by decisions of legislative bodies and voter referenda. However, there is no Company policy that explains how the Company decides when, how and to what degree to engage in attempting to influence those decisions, nor is there a policy disclosing how or whether the Board engages in oversight of those activities.

Disclosure is particularly important because the Company can become involved in needless controversy. For example, several years ago the Company received approval from the Los Angeles City Council to construct a 34-story luxury housing development featuring 376 apartment units, only 5% of which were earmarked for affordable housing. Developers may negotiate terms of approval of a project with Los Angeles city officials, and this project drew criticism based on the low number of affordable units at a time of limited options for affordable housing.¹

Inadequate disclosure can thus cause reputational injury to a company. Douglas Emmett may file lobbying reports that are legally required, but those reports may not tell the full story. Federal disclosures laws do not require reports of grassroots lobbying expenditures, and disclosure may be uneven or absent at the state and local levels. For example, if the Company makes donations to trade associations, particularly donations above ordinary membership dues, that money can then be used for lobbying without any disclosure of Douglas Emmett's involvement.

We believe that greater transparency is needed at this Company.

We urge you to vote FOR this resolution.

1. <https://www.2preservela.org/la-city-hall-gives-westside-developer-douglas-emmett-sweetheart-deal/> The story refers to 16 units, but later reports indicate that there were 19 units. <https://urbanize.city/la/post/building-corebegins-rise-34-story-landmark-apartment-tower>.

Lobbying Expenditures Disclosure

Healthpeak Properties Inc.

WHEREAS, we believe in full disclosure of Healthpeak Properties Inc.'s (Healthpeak's) direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, shareholders of Healthpeak request the preparation of a report, updated annually, disclosing:

1. Company policies and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Healthpeak 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. Healthpeak'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 Healthpeak is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Nominating and Corporate Governance Committee and posted on Healthpeak's website.

Supporting Statement: Healthpeak does not report lobbying the federal government directly. It does, however, belong to two politically-active trade associations which lobby extensively. First, Healthpeak is a member of the National Association of Real Estate Investment Trusts (NAREIT).¹ The Company's CEO sits on the organization's executive board.²

NAREIT lobbies extensively on the federal and state levels, spending \$4.5 million on federal lobbying in 2020³ and lobbying in 12 states over the past 15 years.⁴ NAREIT led efforts to lobby against extending the COVID-related federal eviction moratorium,⁵ which was popular: June 2020 polling data showed that 89% of Americans favored stopping all evictions during the pandemic.⁶

Second, Healthpeak Life Sciences Properties is a member of the southern California chapter of the National Association of Industrial & Office Properties (NAIOP), the Commercial Real Estate Development Association.⁷ NAIOP spent over \$1 million lobbying at the federal level in 2018 and 2019.⁸ NAIOP opposes regulation of buildings' energy efficiency, preferring incentive-based and market-oriented solutions—essentially, voluntary actions—instead.⁹ Not improving energy efficiency impedes efforts to reduce greenhouse gas emissions, which in turn will worsen the climate crisis. NAIOP also lobbies at the state level, lobbying in eight states with some form of disclosure requirement in the past 15 years.¹⁰

Healthpeak fails to disclose to shareholders its third-party payments to trade associations and social welfare organizations, or the amounts used for lobbying. In our view, comprehensive disclosure of direct and indirect lobbying activities would enable shareholders to evaluate the risks associated with them.

1. <https://www.reit.com/investing/reit-directory/healthpeak-properties-inchttps://nlihc.org/resource/poll-public-concerned-about-housing-instability-during-covid-19-favors-action-congress>
2. <https://www.reit.com/nareit/nareit-leadership-team>
3. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2020&id=D000000606>
4. <https://www.followthemoney.org/entity-details?eid=1809>
5. <https://www.accountable.us/wp-content/uploads/2021/08/2021-08-23-CDC-Federal-Eviction-Moratorium-Updated.pdf>
6. <https://nlihc.org/resource/poll-public-concerned-about-housing-instability-during-covid-19-favors-action-congress>
7. <https://growthzonesitesprod.azureedge.net/wp-content/uploads/sites/1915/2020/11/2021-SPONSORSHIP-BROCHURE.pdf>
8. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2019&id=D000024159>
9. https://www.naiop.org/-/media/Advocate/Legislative-Priorities/GA_Fed-Issues_ENERGY_SUSTAINABILITY-2021.ashx?la=en
10. <https://www.followthemoney.org/entity-details?eid=4120>

Lobbying Expenditures Disclosure

ProLogis

WHEREAS, we believe in full disclosure of Prologis Inc.'s (Prologis' or the Company's) direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, shareholders of Prologis request the preparation of a report, updated annually, disclosing:

1. Company policies and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Prologis 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. Prologis' 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 Prologis is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Governance Committee and posted on Prologis' website.

Supporting StatementAs of mid-November, Prologis reported spending \$170,000 to lobby the federal government directly. Analysis of databases maintained by two cities, Chicago and Los Angeles, shows that Prologis has been active in local lobbying. Prologis registered lobbyists in Chicago in four of the last five years¹ and had at least seven lobbyist registrations for permits and other development projects between 2016-2021 in Los Angeles.²

Prologis belongs to two politically-active trade associations. It's a member of the National Association of Real Estate Investment Trusts (NAREIT)³ and two Prologis officers co-chair NAREIT councils.⁴ NAREIT lobbies extensively on the federal and state levels, spending \$4.5 million on federal lobbying in 2020⁵ and lobbying in 12 states over the past 15 years.⁶

Second, Prologis was actively engaged with the National Association of Industrial & Office Properties (NAIOP) during 2020.⁷ NAIOP spent over \$1 million lobbying at the federal level in 2018 and 2019.⁸ NAIOP also lobbied in eight states with some form of disclosure requirement in the past 15 years.⁹

Prologis does not disclose to shareholders amounts spent on state and local lobbying or payments to trade associations used for lobbying. In our view, comprehensive disclosure of direct and indirect lobbying activities would enable shareholders to evaluate the risks associated with them.

1. <https://data.cityofchicago.org/Ethics/Lobbyist-Data-Clients/g8p5-y4m5/data> (last accessed Nov. 4, 2021)
2. <https://ethics.lacity.org/data/lobbying/registrations/> (last accessed Nov. 4, 2021)
3. <https://www.prologis.com/2020-sustainability-report-microsite/membership>
4. <https://www.reit.com/nareit/nareit-leadership-team>
5. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2020&id=D000000606>
6. <https://www.followthemoney.org/entity-details?eid=1809>
7. <https://www.prologis.com/2020-sustainability-report-microsite/memberships>
8. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2019&id=D000024159>
9. <https://www.followthemoney.org/entity-details?eid=4120>

Lobbying Expenditures Disclosure

Disney (Walt) Company / ABC

A similar resolution was submitted to CME Group, Inc.

WHEREAS, we believe in full disclosure of Disney's lobbying activities and expenditures to assess whether Disney's lobbying is consistent with Disney's expressed goals and in shareholder interests.

RESOLVED, the shareholders of Disney 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 Disney 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 Disney is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Governance and Nominating Committee and posted on Disney's website.

SUPPORTING STATEMENT

Disney spent \$42,965,000 from 2010 – 2020 on federal lobbying. This does not include state lobbying expenditures, where Disney also lobbies but disclosure is uneven or absent. For example, Disney spent \$4,021,464 on lobbying in California from 2010 – 2020, and Disney's lobbying in Florida has been described as the 800-pound mouse.¹ And Disney also lobbies abroad, spending between €300,000 – 899,999 on lobbying in Europe for 2020.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending at least double what's publicly reported.² Disney belongs to the Business Roundtable and Chamber of Commerce, which together have spent over \$2 billion on federal lobbying since 1998, and the RATE Coalition, a social welfare organization. Disney's memberships have drawn attention as these groups launched a massive lobbying blitz against raising corporate taxes.³

Disney's disclosure is incomplete for trade associations, failing to disclose a top limit for its payments, and omitting social welfare organizations. Shareholders cannot tell the magnitude of Disney's trade association payments over \$500,000. And Disney fails to disclose its payments to the RATE Coalition and other social welfare organizations that lobby.

We are concerned that Disney's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Disney signed a statement opposing state voter restrictions, yet the Chamber lobbied against the For the People Act.⁴ Disney supported the Paris climate agreement, yet the Chamber opposed it. And while Disney has drawn negative attention for avoiding federal income taxes,⁵ its trade associations are lobbying against raising corporate taxes to fund health care, education and safety net programs.

1. <https://www.politico.com/magazine/story/2015/06/what-works-orlando-disney-politics-119167>.

2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

3. <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>.

4. <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.

5. <https://prospect.org/economy/corporate-tax-dodging-wont-go-away-until-we-fix-our-tax-code/>.

Lobbying Expenditures Disclosure

Charter Communications, Inc.

Similar resolutions were submitted to Ecolab Inc. and Exelon Corporation.

WHEREAS, we believe in full disclosure of Charter's lobbying activities and expenditures to assess whether Charter's lobbying is consistent with its expressed goals and in stockholders' best interests.

RESOLVED, stockholders 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 Charter 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. Charter's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision-making process and the Board's oversight for making payments described in 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 Charter 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 Charter's website.

Supporting Statement: Charter spent \$69,995,000 from 2010 – 2020 on federal lobbying. Charter also lobbies extensively at the state level where disclosure is uneven or absent, with at least 267 lobbyists in 29 states in 2020 (followthemoney.org).

Charter fails to disclose its memberships in, or payments to, trade associations and social welfare organizations, or the amounts used for lobbying, including grassroots. Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending at least double what's publicly reported.¹

Charter serves on the board of NCTA - The Internet & Television Association, which spent \$175,710,000 on lobbying from 2010 – 2020, and is a member of Broadband for America, a social welfare organization which spent \$4.2 million to submit 8.5 million fake comments using real people's names to the FCC opposing net neutrality.² And Charter does not disclose its contributions to groups which write and endorse model legislation, like the American Legislative Exchange Council (ALEC).

We believe Charter's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Charter states that it is committed to an open internet, yet NCTA and Broadband for America lobbied against net neutrality. As Charter lobbied on expanding internet access in infrastructure,³ it has attracted scrutiny for avoiding federal taxes while spending \$64 million on lobbying and campaign contributions.⁴ And while Charter is committed to diversity and inclusion, groups have asked Charter to cut ties with ALEC because of its voter restriction efforts.⁵

1. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

2. <https://www.wired.com/story/isps-funded-85-million-fake-comments-opposing-net-neutrality/>

3. <https://www.opensecrets.org/news/2021/08/telecom-and-telephone-utility-companies-spend-big-infrastructure-deal-clears-hurdle/>.

4. <https://truthout.org/articles/corporations-that-paid-zero-federal-income-tax-spent-400-million-in-lobbying/>.

5. <https://www.thenation.com/article/politics/alec-corporations-democracy/>.

Lobbying Expenditures Disclosure

Quanta Services, Inc.

Resolved, the stockholders of Quanta Services Inc. (Quanta) 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 Quanta, including any joint venture in which Quanta owns an interest, that are used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including in each case the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described 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 Quanta is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state, territorial and federal levels.

The report shall be presented to the board's Governance and Nominating Committee and posted on Quanta's website.

Supporting Statement: Quanta does not fully disclose to shareholders the requested information about the company's lobbying policies, procedures and actions. We believe that the need for greater transparency is underscored by recent events involving Quanta and a joint venture, LUMA Energy, in which Quanta owns a 50% interest and which Quanta's Form 10-K describes as operationally integral to our operations.¹

In June 2020 LUMA was awarded a 15-year contract to operate, maintain and modernize Puerto Rico's electric transmission and distribution system in the wake of Hurricane Maria. This award came after a procurement process that began in early 2019 when Puerto Rico authorities issued a request for proposals seeking bids for this contract.²

The regulations state that there shall be no lobbying relating to the proposal,³ yet Quanta's federal lobbying activities skyrocketed after the request for proposals, going from \$40,000 in 2018 to \$280,000 in 2019, \$320,000 in 2020 and \$210,000 in the first three quarters of 2021.⁴ Quanta's 2019 lobbying reports identify expenditures on items such as funding or disaster repairs (for infrastructure and utilities) in Hurricane impacted areas (Harvey and Maria).⁵

These reports do not tell the full story, however. In October 2020, it was reported that LUMA had hired a legislative consulting firm for \$17.4 million; however, neither this firm nor any other had registered to lobby in Puerto Rico, and details were sparse.⁶

LUMA resisted all calls for disclosure until after an arrest warrant was issued for LUMA's CEO based on a failure to comply with court-mandated disclosure.⁷ Only then were any records disclosed.⁸

We believe that this experience underscores the need for more hands-on board oversight and disclosure.

1. Form 10-K, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1050915/000105091521000114/pwr-20210930.htm>, p. 18 for 50% figure and operationally integral quote.
2. https://ieefa.org/wp-content/uploads/2020/10/Contract-with-LUMA-Energy-Sets-up-Full-Privatization_Higher-Rates_October-2020.pdf
3. <http://app.estado.gobierno.pr/ReglamentosOnLine/Reglamentos/9078ING.pdf> Section 4.13
4. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2021&id=D000036905>
5. <https://disclosurespreview.house.gov/ld/ldxmlrelease/2019/Q2/301046107.xml>; <https://disclosurespreview.house.gov/ld/ldxmlrelease/2019/Q3/301064250.xml>; <https://disclosurespreview.house.gov/ld/ldxmlrelease/2019/Q4/301108363.xml>
6. <https://www.sanjuandaily.com/post/house-speaker-demands-luma-reveal-names-of-lobbyists>
7. <https://www.sanjuandaily.com/post/house-speaker-demands-luma-reveal-names-of-lobbyists>
8. <https://camara.pr.gov/luma-papers/>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Lobbying Expenditures Disclosure

Uber Technologies

A similar resolution was submitted to Columbia/HCA Healthcare Corp. (HCA).

WHEREAS, full disclosure of Uber's direct and indirect lobbying activities and expenditures to assess whether Uber's lobbying is consistent with its expressed goals and in shareholder interests.

RESOLVED, the shareholders request the preparation of a report, updated annually, disclosing the following information:

Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. Payments by Uber used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient. Uber's membership in and payments to any tax-exempt organization that writes and endorses model legislation. 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 Uber is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Nominating and Governance Committee and posted on Uber's website.

SUPPORTING STATEMENT: Uber fails to provide an annual report breaking out its lobbying payments by individual states, trade associations and social welfare groups (SWGs). Uber spent \$10,490,000 on federal lobbying from 2016 – 2020, including a record \$2.6 million in 2020.¹ Uber also lobbies extensively at the state level, where disclosure is uneven or absent. Uber was a prominent participant in a \$200 million ballot initiative in California to keep drivers classified as contractors. Uber's CEO said the company would be more loudly advocating for state laws like Prop 22.² Uber lobbies internationally, spending between €600,000–699,000 lobbying in Europe for 2020.

Companies can give unlimited amounts to third-party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending at least double what's publicly reported.³ Uber's Political Engagement report⁴ does not fully disclose Uber's payments to or membership in trade associations, nor does it disclose any payments to SWGs, or the amounts used for lobbying. Uber's disclosure fails to disclose its membership in trade associations like the Chamber of Progress or Computer and Communications Industry Association.⁵

Uber's lack of disclosure presents reputational risks when its lobbying contradicts company public positions or takes controversial positions. Uber's lobbying has been compared to the tobacco industry.⁶ Uber has made contributions to community groups that write favorable op-eds as one facet of a multimillion-dollar lobbying campaign aimed at fighting regulations.⁷ And while Uber has opposed voter restrictions,⁸ the Chamber of Commerce, of which Uber is a member, lobbied against protecting voting rights.⁹

1. <https://www.opensecrets.org/news/2021/03/unions-businessgroups-battle-pro-act/>

2. <https://www.washingtonpost.com/technology/2020/11/05/uber-prop22/>

3. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>

4. https://s23.q4cdn.com/407969754/files/doc_downloads/2021/08/Uber-US-Political-Engagement-August-2021.pdf

5. <https://gizmodo.com/heres-who-funds-the-tech-think-tanks-asking-congress-to-1847142650>

6. <https://www.theguardian.com/commentisfree/2020/sep/11/why-uber-and-lyft-are-taking-a-page-out-of-big-tobaccos-playbook-in-labor-law-battle>

7. <https://themarkup.org/news/2021/06/17/uber-and-lyft-donated-to-community-groups-who-then-pushed-the-companies-agenda>

8. <https://www.axios.com/georgia-voting-restrictions-microsoft-corporations-57f321c3-f449-41c0-858e-02006d017768.html>

9. <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>

Lobbying Expenditures Disclosure

XPO Logistics

WHEREAS, full disclosure of XPO's direct and indirect lobbying activities and expenditures is required to assess whether XPO's lobbying is consistent with its expressed goals and in stockholder interests.

RESOLVED, stockholders 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 XPO 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. XPO'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, 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 XPO 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 and posted on XPO's website.

Supporting Statement: XPO spent \$590,000 on federal lobbying in 2019 and 2020. This does not include state lobbying, where XPO also lobbies but disclosure is uneven or absent. The need for transparency remains highlighted by continued scrutiny of former XPO supply chain CEO and board member Louis DeJoy's role as Postmaster General.¹

XPO fails to disclose its memberships in or payments to trade associations and social welfare organizations or the amounts used for lobbying, including grassroots. Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending at least double what's publicly reported.² XPO belongs to the Business Roundtable (BRT) and Transportation Intermediaries Association, which together spent \$37,930,000 on federal lobbying for 2019 and 2020, and to the Road Haulage Association (RHA) in the United Kingdom. And XPO does not disclose its contributions to groups which write and endorse model legislation, like the American Legislative Exchange Council, which supports ending government regulation over private contracting.³

We believe XPO's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, XPO lists safety for its employees and operations as its first value, yet the New York Times reports that supervisors have required pregnant women to lift more weight than their doctor has certified them to lift, and as a result have suffered miscarriages.⁴ And, XPO is committed to environmental sustainability, yet the RHA has reportedly lobbied to undermine clean air goals in the UK.⁵

We urge XPO to expand its lobbying disclosure.

1. <https://www.washingtonpost.com/business/2021/08/06/usps-dejoy-xpo-logistics/>.

2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

3. <https://www.exposedbycmd.org/2020/12/03/alec-holds-virtual-states-and-national-policy-summit/>

4. <https://www.nytimes.com/interactive/2018/10/21/business/pregnancy-discrimination-miscarriages.html>

5. <https://www.desmog.co.uk/2020/10/05/revealed-lobby-groups-backed-big-brands-fighting-against-air-pollution>.

Lobbying Expenditures Disclosure

Walmart Stores, Inc.

WHEREAS, we believe in full disclosure of Walmart's direct and indirect lobbying activities and expenditures to assess whether Walmart's lobbying is consistent with its expressed goals and shareholder interests.

RESOLVED, shareholders of 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 Walmart 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 Walmart is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Nominating and Governance Committee and posted on Walmart's website.

Supporting Statement: Walmart spent \$73,370,000 from 2010 – 2020 on federal lobbying. Walmart deserves credit as a leader for its state lobbying disclosure. Yet shareholders face a dark money blind spot, as Walmart fails to disclose its memberships in or payments to trade associations and social welfare organizations or the amounts used for lobbying, including grassroots.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending at least double what's publicly reported.¹ The federal Lobbying Disclosure Act does not require reporting of grassroots lobbying, and disclosure is uneven or absent in states. Walmart is a member of the Chamber of Commerce, which has spent over \$1.7 billion on lobbying since 1998, and serves on the boards of the Business Roundtable and National Retail Federation (NRF), which together spent \$23,435,000 on lobbying in 2019 and 2020. The Business Roundtable and Chamber Commerce have drawn attention for launching a massive lobbying blitz against raising corporate taxes to pay for infrastructure.²

We are concerned that Walmart's lack of disclosure presents reputational risk when its lobbying contradicts Walmart's public positions. For example, Walmart pledged \$100 million to advance racial equity, including on criminal justice,³ yet donates to trade associations like NRF promoting harsher shoplifting penalties.⁴ Walmart supports diversity, equity and inclusion, yet the Chamber lobbied against the For the People Act.⁵ Walmart believes in addressing climate change, yet the Chamber and BRT lobby to block climate action.⁶ And while Walmart has drawn scrutiny for avoiding federal taxes,⁷ its trade associations are lobbying against raising corporate taxes to fund infrastructure.

1. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

2. <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>.

3. <https://corporate.walmart.com/newsroom/2020/06/12/advancing-our-work-on-racial-equity>.

4. <https://wamu.org/story/20/10/16/when-shoplifting-is-a-felony-retailers-back-harsher-penalties-for-store-theft/>.

5. <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.

6. <https://www.desmog.com/2021/10/22/corporate-tech-giants-climate-action-oil-lobbyists-state-capitols/>.

7. <https://theintercept.com/2021/09/06/infrastructure-bill-companies-tax-increase/>.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Lobbying Expenditures Disclosure

Salesforce.com, Inc.

A similar resolution was submitted to Netflix, Inc.

WHEREAS, full disclosure of salesforce.com inc.'s (Salesforce) lobbying activities and expenditures to assess whether its lobbying is consistent with Salesforce's expressed goals and shareholders' best interests.

RESOLVED, 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 Salesforce used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in sections 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 Salesforce is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Nominating and Corporate Governance Committee and posted on Salesforce's website.

Supporting Statement: Salesforce fails to provide an annual report breaking out its lobbying payments by federal, individual states, trade associations and social welfare groups. Salesforce spent \$9,480,000 from 2016 – 2020 on federal lobbying. This does not include state lobbying, where Salesforce also lobbies but disclosure is uneven or absent. And Salesforce lobbies abroad, spending between €800,000 – 899,999 on lobbying in Europe for 2020.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending at least double what's publicly reported.¹ Salesforce lists memberships in 65 trade associations for 2020, yet fails to disclose its payments, or the amounts used for lobbying. Salesforce belongs to the Business Roundtable, National Association of Manufacturers and Chamber Commerce, which together spent \$108,148,000 on lobbying for 2020 and have drawn attention for launching a massive lobbying blitz against raising corporate taxes to pay for infrastructure.²

Salesforce's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Salesforce believes climate change is an urgent crisis, but the Chamber blocks climate action, leading to student groups to write to our company over the Chamber's lobbying.³ Salesforce publicly supports voter rights, yet the Chamber lobbied against the For the People Act, resulting in additional scrutiny for our company.⁴ And while Salesforce has drawn negative attention for avoiding federal income taxes,⁵ its trade associations are lobbying against corporate taxes to fund infrastructure. We believe that companies should ensure there is alignment between their own positions and their lobbying, including through third parties. Thus, we urge Salesforce to expand its lobbying disclosure.

1. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

2. <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>

3. <https://ph.news.yahoo.com/student-coalition-blasts-chamber-of-commerce-over-climate-change-opposition-to-bidens-budget-bill-213822820.html>.

4. <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.

5. <https://www.sfchronicle.com/business/article/Salesforce-paid-no-federal-income-tax-in-2020-16078479.php>.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Lobbying Expenditures Disclosure

United Parcel Service, Inc.

Similar resolutions were submitted to Boeing Company and Chevron Corp.

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 shareowner interests.

RESOLVED: the shareowners request the Board prepare a report, updated annually, disclosing:

Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

- 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.
- UPS's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
- 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 act 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 in UPS's use of funds to lobby. UPS spent \$76.6 million from 2010 – 2020 on federal lobbying.¹ This does not include state lobbying, where UPS also lobbies but disclosure is uneven or absent. For example, UPS lobbied in 31 states in 2020² and spent \$1.93 million on lobbying in California from 2010 – 2020.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending at least double what's publicly reported.⁴ UPS sits on the board of the Chamber of Commerce and belongs to the Business Roundtable (BRT), which together have spent over \$2 billion on federal lobbying since 1998, and the RATE Coalition, a social welfare organization which also actively lobbies.

UPS does not disclose its memberships in, or payments to, trade associations and social welfare organizations, or the amounts used for lobbying, including at the grassroots level. And UPS does not disclose its membership in tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC).

We believe UPS's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, UPS supports global climate action, yet the Chamber opposed the Paris Climate Accord. UPS supports greater investment in America's infrastructure, but the Chamber, BRT, and RATE Coalition lobbied against the infrastructure bill.⁵ And while UPS is committed to diversity, groups have asked UPS to cut ties with ALEC because of its voter restriction efforts.⁶

1. <https://www.opensecrets.org/>.

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

3. <https://cal-access.sos.ca.gov/Lobbying/>.

4. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

5. <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>.

6. <https://www.thenation.com/article/politics/alec-corporations-democracy/>.

Lobbying Expenditures Disclosure

ExxonMobil Corporation

WHEREAS, we believe in full disclosure of ExxonMobil's lobbying activities and expenditures to assess whether ExxonMobil's lobbying is consistent with its expressed goals and in shareholder interests.

RESOLVED, shareholders request the preparation of a report, updated annually, disclosing:

- Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
- Payments by ExxonMobil used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including in each case the amount of the payment and the recipient.
- 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 Public Issues and Contributions Committee and posted on ExxonMobil's website.

SUPPORTING STATEMENT: ExxonMobil spent \$129,140,000 from 2010 – 2020 on federal lobbying. This does not include state lobbying expenditures, where disclosure is uneven or absent. And Exxon also lobbies abroad, spending between €3,250,000 – 3,499,999 on lobbying in Europe for 2020.

ExxonMobil fails to disclose its third-party payments to trade associations and social welfare organizations, or the amounts used for lobbying, to shareholders. Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending at least double what's publicly reported.¹

ExxonMobil belongs to the American Petroleum Institute (API), Business Roundtable, Chamber of Commerce and National Association of Manufacturers, which together spent \$113,498,000 on lobbying for 2020, and supports social welfare organizations that lobby, like the Consumer Energy Alliance (CEA). CEA has drawn attention for its involvement in grassroots campaigns that sent emails and letters using the names and addresses of people without their knowledge.²

We believe ExxonMobil's lack of lobbying disclosure presents reputational risks that could harm long-term value creation. For example, ExxonMobil supports the Paris climate agreement, yet API reportedly lobbies behind the scenes to weaken environmental legislation, with a secretly recorded Exxon lobbyist describing API as the industry's 'whipping boy' to direct public and political criticism away from individual companies.³ And the New York Times noted Exxon's involvement in multiple influence campaigns run by FTI Consulting designed to represent grassroots support.⁴ Highlighting these risks, Norway's largest private asset manager Storebrand divested from ExxonMobil citing its lobbying practices, including trade groups.⁵

Last year, this proposal received majority support from shareholders, including support from Blackrock and Vanguard. We urge ExxonMobil to expand its lobbying disclosure.

1. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying...-reported/>.

2. <https://archive.thinkprogress.org/fraudulent-emails-utility-merger-161f...>

3. <https://www.theguardian.com/environment/2021/jul/19/big-oil-climate-cri...>

4. <https://www.nytimes.com/2020/11/11/climate/fti-consulting.html>.

5. <https://www.reuters.com/article/climatechange-funds-storebrand/storebrand-divests-out-of-exxon-others-over-climate-lobbying-idUSL8N2FM46M>

Lobbying Alignment

Johnson & Johnson

Resolved: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Johnson & Johnson lobbying activities (direct and through trade associations) align with the company's Position on Universal Health Coverage, and in particular its provision supporting broad and timely access to our medicines at sustainable prices that aim to be locally affordable. The Board of Directors should report on how it addresses the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

Supporting Statement:

The company's Position on Universal Health Coverage states that Patients and communities must have access to care, including drugs, vaccines, surgical care, and other medical technologies needed to prevent and treat diseases and address public health needs.

Yet prices for needed medication continue to be a barrier to access for many patients in the US.

Efforts to reform the pricing system to improve access have been systematically opposed by the industry's leading lobbying organization, Pharmaceutical Research and Manufacturers of America (PhRMA).

PhRMA raised nearly \$527 million in 2020 and spent roughly \$506 million, including making multi-million-dollar donations to numerous other organizations like the American Action Network for use in opposing congressional efforts to address drug pricing.¹ PhRMA also launched a vigorous lobbying effort against a proposal to waive intellectual property rights for Covid-19 vaccines designed to boost production of vaccines in developing countries (the TRIPS waiver). PhRMA also sits on the board of the American Legislative Exchange Council (ALEC) which has been involved in highly controversial lobbying activity including advocating for the privatization of Medicare and Medicaid and opposition to drug pricing reforms and prescription drug importation.²

Johnson & Johnson's Executive Vice President and Worldwide Chairman, Pharmaceuticals, Jennifer Taubert, sits on the PhRMA board of directors.

The positions the company adopts should not be undermined by lobbying efforts undertaken by organizations the company supports financially. While a company may not support every position taken by the trade associations to which it belongs, proper risk management requires that the board at least be aware of inconsistencies and evaluate whether they are salient to the company and therefore require mitigation.

With regard to the company's own lobbying – on which it spent \$3,280,000 dollars of its own money on lobbying in the first two quarters of 2021, focused on drug pricing legislation, amongst other things³ – a similar review of alignment is in order. Shareholders have an interest in the use of company funds to support lobbying efforts that may have negative effects on the company's reputation, its stated positions on public policy and regulatory concerns, and on matters of public interest such as COVID-19 recovery efforts which affect our global economy.

For these reasons, we urge shareholders to support the proposal.

1. <https://www.opensecrets.org/news/2020/12/pharma-lobby-poured-millions-into-darkmoney-groups/>

2. https://www.alecexposed.org/w/images/3/38/5V0-Access_to_Medicaid_Act_Exposed.pdf and <https://www.alecaction.org/advocacy/ipi/>

3. https://www.opensecrets.org/federal-lobbying/clients/issues?cycle=2021&id=D000000386&spec=HCR&specific_issue=Health+Issues#specific_issue

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Lobbying Alignment

Eli Lilly and Company

RESOLVED: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Eli Lilly and Company's (Lilly's) lobbying activities (direct and through trade associations) align with Lilly's public policy position and public statements, particularly supporting making medicines more accessible and affordable to patients and fairness and transparency in the biopharma industry.¹ The report should discuss how Lilly addresses the risks presented by any misaligned lobbying and its plans, if any, to mitigate these risks.

SUPPORTING STATEMENT:

Lilly's commitment to Health Above All is in opposition to its lobbying efforts. Lilly says, We're dedicated to making our medicines more equitable, accessible and affordable, and clearly states, no one should have to ration their insulin.² Yet, Lilly is among three insulin manufacturers explicitly called out for price collusion in a 2017 class action lawsuit.³

Lilly states, Now more than ever, it's vitally important that we demonstrate accountability and trustworthiness so we can continue to earn the confidence of patients, healthcare providers and other customers, as well as society as a whole. However, Lilly has directly lobbied against drug pricing reform that advances affordability,⁴ hiring three lobbyists in March 2021 to defeat Democratic drug pricing proposals even while Lilly was under intense scrutiny for insulin price hikes.⁵

Lilly's CEO Dave Ricks is now the Board Chair for Pharmaceutical Research and Manufacturers of America (PhRMA), which raised nearly \$527 million in 2020 and spent roughly \$506 million, including donating millions to numerous other organizations for use in opposing congressional drug pricing reform efforts.⁶ PhRMA also sits on the board of the American Legislative Exchange Council, which has actively opposed H.R. 3 and its moderate counterpart S. 2534 (both 116th Congress) - bills to lower the costs of pharmaceuticals.⁷

Lilly is the fourth largest lobbying spender (\$166.2M) and the third highest campaign contributor (\$13.3M) between 1999 and 2018. Lilly was among several pharmaceutical companies that gave \$1.6M to lawmakers in the first half of 2021, targeting legislators who were likely to oppose drug pricing reforms in the Build Back Better Act.⁸

The positions Lilly adopts should not be undermined by lobbying efforts undertaken by organizations the Company supports financially. A company may not support every position taken by the trade associations to which it belongs, but proper risk management requires that the board be aware of inconsistencies and evaluate salient risks that would require mitigation.

Given Lilly's extensive direct and indirect lobbying against measures that would make drugs more affordable, we are concerned that the misalignment between Lilly's lobbying and its stated position with regard to equity, access and affordability creates reputational risk.⁹

For these reasons, we urge shareholders to support the proposal.

1. <https://www.lilly.com/policies-reports/public-policy>

2. <https://www.lilly.com/who-we-are/health-above-all>

3. <https://www.fiercepharma.com/pharma/novo-faces-new-shareholder-suit-for-alleged-collusive-price-fixing>

4. <https://www.wfyi.org/news/articles/eli-lilly-says-legislation-to-address-drug-prices-would-hurt-its-current-future-operations>

5. <https://www.opensecrets.org/news/2021/04/vaccine-access-pharma-lobbying-fight/>

6. <https://www.opensecrets.org/news/2020/12/pharma-lobby-poured-millions-into-darkmoney-groups/>

7. <https://www.alecaction.org/update/20-alec-lawmakers-say-no-to-importing-price-controls-and-socialized-medicine-to-america>

8. <https://www.tampabay.com/news/health/2021/10/27/big-pharma-spends-big-to-block-attempts-to-control-drug-prices/>

9. <https://www.opensecrets.org/orgs/eli-lilly-co/lobbying?id=d000000166>

Lobbying Alignment

Gilead Sciences, Inc.

RESOLVED: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Gilead Sciences, Inc. lobbying activities (direct and through trade associations) align with its Vision statement, To create a healthier world for all people¹ and in particular its Policy Position Statement that the price of medicines should never be a barrier to access, and we work domestically and globally to ensure that patients who need our products are able to obtain them.² The Board of Directors should report on how it addresses the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

SUPPORTING STATEMENT: Gilead's Policy Position on Product Pricing and Patient Access states that Gilead works to ensure that price is not an obstacle to care. We believe all patients should be able to access the medicines they need, regardless of their ability to pay or where they live, and we work very hard across the company to make this happen. It notes that the prices of Gilead medicines are established at levels that allow an opportunity to recoup research expenditures and support the discovery of next-generation medicines.³

Yet prices for needed medication continue to be a barrier to access for many patients in the US.

Efforts to reform the pricing system to improve access have been systematically opposed by the industry's leading lobbying organization, Pharmaceutical Research and Manufacturers of America (PhRMA), which Gilead joined in 2019. Gilead's Chair and CEO Dan O'Day sits on PhRMA's board of directors.

PhRMA raised nearly \$527 million in 2020 and spent roughly \$506 million, including making multi-million-dollar donations to organizations such as the American Action Network, a dark money group for use in opposing congressional efforts to address drug pricing.⁴ In March 2021, a Minnesota federal judge dismissed a lawsuit by PhRMA that sought to overturn a Minnesota law that created a safety net to assist poor people with diabetes.⁵

Gilead's vision and policy positions adopts should not be undermined by lobbying efforts undertaken by organizations the company supports financially. While a company may not support every position taken by the trade associations to which it belongs, proper risk management requires that the board at least be aware of inconsistencies and evaluate whether they are salient to the company and therefore require mitigation.

Gilead's lobbying expenditures in 2020 were \$7,030,000 in 2020 and \$6,200,000 in the first three quarters of 2021.⁶

Shareholders have an interest in the use of company funds to support lobbying efforts that may have negative effects on the company's reputation, its stated positions on public policy and regulatory concerns, and on matters of public interest.

For these reasons, we urge shareholders to support the proposal.

1. <https://www.gilead.com/purpose/mission-and-core-values>

2. <https://www.gilead.com/-/media/Files/pdfs/Policy-Perspectives/Product%20Pricing%20and%20Patient%20Access.pdf>

3. *ibid.*

4. <https://www.opensecrets.org/news/2020/12/pharma-lobby-poured-millions-into-darkmoney-groups/>

5. <https://www.courthousenews.com/minnesota-affordable-insulin-law-survives-lobbyists-challenge/>

6. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2021&id=D000026221>

Lobbying Alignment

Amgen Inc.

RESOLVED: Shareholders request that the Board of Directors commission and publish a third party review within the next year (at reasonable cost, omitting proprietary information) of whether Amgen's lobbying activities (direct and through trade associations) align with the company's Position on Access to Medicines, and in particular its provision stating that Amgen's medicines make a difference for those facing serious illnesses and we believe patients should have access to them regardless of their ability to pay. The Board of Directors should report on how it addresses the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

SUPPORTING STATEMENT: The company's Position on Access to Medicines indicates their products should be available to all who need them. Yet prices for needed medication continue to be a barrier to access for many patients in the US. Efforts to reform the pricing system to improve access have been systematically opposed by the industry's leading lobbying organization, Pharmaceutical Research and Manufacturers of America (PhRMA).

Amgen's Chief Executive Officer, Robert A. Bradway, sits on the PhRMA board of directors, is a past Chairman, and the company spent nearly \$2 million on PhRMA lobbying costs in 2020.

PhRMA raised nearly \$527 million in 2020 and spent roughly \$506 million, including making multi-million-dollar donations to numerous other organizations like the American Action Network for use in opposing congressional efforts to address drug pricing¹. PhRMA also launched a vigorous lobbying effort against a proposal to waive intellectual property rights for Covid-19 vaccines designed to boost production of vaccines in developing countries (the TRIPS waiver). PhRMA also sits on the board of the American Legislative Exchange Council (ALEC) which has been involved in highly controversial lobbying activity including advocating for the privatization of Medicare and Medicaid and opposition to drug pricing reforms and prescription drug importation².

The positions the company adopts should not be undermined by lobbying efforts undertaken by organizations the company supports financially. While a company may not support every position taken by the trade associations to which it belongs, proper risk management requires that the board at least be aware of inconsistencies and evaluate whether they are salient to the company and therefore require mitigation.

The company's own lobbying – which was \$4,720,000 in the first two quarters of 2021, focused on drug pricing legislation, amongst other things³ – indicates that a similar review of alignment is in order. Amgen also gave Sen. Krysten Sinema, whose stance in Congress has stalled the passage of drug pricing reform, \$25,500 and is one of her largest financial backers⁴.

Shareholders have an interest in the use of company funds to support lobbying efforts that may have negative effects on the company's reputation, its stated positions on public policy and regulatory concerns, and on matters of public interest such as COVID-19 recovery efforts which affect our global economy. For these reasons, we urge shareholders to support the proposal.

1. <https://www.opensecrets.org/news/2020/12/pharma-lobby-poured-millions-into-darkmoney-groups>

2. https://www.alecexposed.org/w/images/3/38/5V0-Access_to_Medicaid_Act_Exposed.pdf AND <https://www.alecaction.org/advocacy/ipi>

3. <https://www.opensecrets.org/orgs/amgen-inc/lobbying?id=D000000391>

4. <https://www.businessinsider.com/kyrsten-sinema-pharmaceutical-giants-campaign-donations-drug-price-reform-2021-9>

Alignment of Stated Corporate Values with Political and Electioneering Expenditu

AT&T Inc.

WHEREAS: AT&T Inc sponsors a federal employee political action committee (PAC) and numerous state PACs whose decisions are based on AT&T's public policy positions and the best interests of the business and our employees.

AT&T states: Officers, executives or committee members making contribution decisions are mindful of our Core Values and make recommendations and decisions without regard for personal political preferences . . . As AT&T assesses public policy that impacts business objectives, it also is mindful of diverse and complex societal issues that can affect us to varying degrees. The societal issues identified include environmental sustainability; diversity, equity and inclusion; social justice; and economic empowerment of women.

However, AT&T's politically focused expenditures appear to be misaligned with its public statements on Company values, views, and operational practices. As examples, AT&T states it:

- Has a history of commitment to gender equality, yet Proponent estimates that in the 2016-2018 election cycles, AT&T and its employee PACs made political donations totaling at least \$16.4 million to politicians and political organizations working to weaken women's access to reproductive health care.
- Is committed to achieving carbon neutrality, yet is a member of the U.S. Chamber of Commerce which has consistently lobbied to roll back climate regulations and slow the transition toward a low carbon energy mix.
- Is committed to stand for equality as one of our core values including dedicating resources to overcoming systemic barriers and ensuring civil rights for all people. Yet, between June 1, 2020 and March 25, 2021, AT&T or its PACs contributed at least \$228,300 to state lawmakers who introduced or sponsored legislation restricting public protests.
- Believes the right to vote is sacred and we support voting laws that make it easier for more Americans to vote in free, fair and secure elections, yet, in June 2021, AT&T or its PACs contributed \$132,500 to Texas state lawmakers who had supported bills that raise voter suppression concerns.

BE IT RESOLVED: Shareholders request that AT&T publish a report, at reasonable expense, analyzing the congruence of the Company's political and electioneering expenditures during the preceding year against publicly stated company values and policies, listing and explaining any instances of incongruent expenditures, and stating whether the Company has made, or plans to make, changes in contributions or communications to candidates as a result of identified incongruencies.

SUPPORTING STATEMENT: Proponents recommend, at Board and management discretion, that the report also include management's analysis of risks to the Company brand, reputation, or shareholder value associated with expenditures in conflict with its publicly stated company values. Expenditures for electioneering communications means spending, from corporate treasury and from the PACs, 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 being in support of or opposition to a specific candidate.

Political Contributions Misalignment

AbbVie

A similar resolution was submitted to Amgen Inc.

WHEREAS: The political expenditures of AbbVie Inc. appear to be misaligned with the company's publicly stated values and vision across a number of issue areas.

AbbVie states that it believes climate change impacts human health, and has committed to joining the Science Based Targets initiative, which supports limiting global temperature rise to no more than 1.5°C in line with the Paris Climate Agreement. Yet AbbVie is a member of the U.S. Chamber of Commerce, which has consistently lobbied to roll back U.S. climate regulation and promoted regulations that would slow the transition towards a low carbon energy mix.

AbbVie has stated We are committed to equity, equality, diversity and inclusion (EED&I). It's fundamental to who we are and it's just how we 'do good business.' AbbVie has also written EED&I is good for our people and patients, and also for our business—strengthening performance, helping us innovate and understand our customers, and retaining the best talent. However, AbbVie also supported multiple trade associations that have supported and promoted voter suppression laws. Further, in the 2016 - 2020 election cycles, AbbVie and its employee PACs donated at least \$1,068,050 to politicians and political organizations working to weaken women's access to reproductive health care.

AbbVie has stated that [W]e believe patients need access to quality and affordable medicines. Improving health outcomes for patients around the world is one of AbbVie's corporate responsibility commitments and is integral to our core business strategy. However, AbbVie contributes to (PhRMA), which supports numerous organizations opposing efforts to reform drug pricing.

To minimize possible missteps and risk to the firm's reputation and brand, AbbVie should establish clear policies and reporting on corporate electioneering and political spending that contrast with its stated healthcare, social and environmental objectives.

BE IT RESOLVED: Shareholders request that AbbVie annually analyze and report, at reasonable expense, the congruence of its political, lobbying, and electioneering expenditures during the preceding year against its publicly stated company values and policies, listing and explaining instances of incongruent expenditures, and stating whether the identified incongruencies have or will lead to a change in future expenditures or contributions.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, that the report also contain an analysis of risks to our company's brand, reputation, or shareholder value of expenditures in conflict with publicly stated company values. Expenditures for electioneering communications means spending, from the corporate treasury and from its PACs, during the year, directly or through third parties, in printed, internet, or broadcast communications, which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate.

Political Contributions Misalignment

Eli Lilly and Company

A similar resolution was submitted to UnitedHealth Group.

WHEREAS: Eli Lilly and Company's (Lilly's) political expenditures appear to be misaligned with the company's values and vision.

After January 6, 2020, Lilly stated [W]e expect any candidate we support to demonstrate respect for people and respect for our democratic process and institutions and [t]his certainly covers anyone who promoted violence or sedition that contributed to the appalling events on January 6th or who continues to support violence to disrupt the peaceful transfer of power our democracy is founded upon. After these statements, however, Lilly donated to eight members of Congress who had objected to the election's certification.

Lilly has stated that it is committed to finding solutions – both legislative and non-legislative – that will help people with chronic diseases have affordable access to their medicine. However, Lilly contributes to PhRMA, which supports numerous organizations opposing efforts to reform drug pricing. Lilly works to support gender equality in the workplace, and almost half of its workforce is female. Yet in the 2016-2020 election cycles, Lilly and its employee PACs donated at least \$1.6 million to politicians and political organizations working to weaken women's access to reproductive health care. Lilly's website reads Lilly's commitment to diversity, equity and inclusion inside our company is not enough. We are taking action to influence meaningful, lasting change. However, the company donated \$4,000 to Georgia Governor Brian Kemp, who championed into law a bill restricting access to voting.

Lilly has made commitments to address its carbon emissions and reduce its environmental impact, yet it is a member of the U.S. Chamber of Commerce, which has consistently lobbied to roll back specific U.S. climate regulations and promote regulatory frameworks that would slow the transition towards a low greenhouse gas emissions energy mix.

Given contradictions between its stated values and objectives, Lilly should establish policies and reporting systems that minimize growing risk to the firm's reputation and brand by addressing possible missteps in corporate electioneering and political spending.

RESOLVED: Shareholders request that Lilly publish an annual report, at reasonable expense, analyzing the congruence of political, lobbying, and electioneering expenditures during the preceding year against publicly stated company values and policies, listing and explaining any instances of incongruent expenditures, and stating whether the identified incongruities are likely to lead to a change in future expenditures or contributions.

SUPPORTING STATEMENT: Proponents recommend that the report also contain management's analysis of risks to our company's brand, reputation, or shareholder value, of expenditures in conflict with publicly stated company values. Expenditures for electioneering communications means spending, from the corporate treasury and from the PACs, 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 being in support of or opposition to a specific candidate.

Political Contributions Misalignment

JPMorgan & Chase

WHEREAS: Regarding political contributions, JPMorgan & Chase (“Company”) has stated that “No single criterion or policy determines a candidates’ eligibility for PAC contribution; however, candidates who advance positions or exhibit behaviors that conflict with the Firm’s ethos may be ineligible for PAC donations.” The Government Relations and Public Policy, which reports to the Head of Corporate Responsibility, reassesses decisions to pause donations to specific candidates at the end of every election cycle, and will review and refresh contribution criteria annually with inputs from additional internal stakeholders.

Yet the internal workings of this process lack transparency as to whether and when donations will be paused or terminated to specific candidates for organizations, and on what basis.

JPMorgan has released targets for its Paris-aligned financing commitment and for reducing its operational greenhouse gas initiatives. It has implemented exemplary LGBTQ workplace policies and is a recognized friend and ally to that community. JPMorgan’s Women on the Move initiative provides a platform for networking and career development at all levels of the company and is expanding credit and opportunity to female clients and customers as well. Management is working to expand supportive policies to working parents and their families.

However, in contrast to these stated and implied values, JP Morgan has:

- Repeatedly contributed to a 527 organization that has led efforts to prevent enforcement of the EPA’s Clean Power Plan;
- Consistently given to members of Congress who oppose LGBTQ equality, including over \$110,000 in 2020 alone, as well as over \$185,000 in five recent election cycles (2010 – 2018) to a 527 organization that funds politicians who have attacked LGBTQ equality and reproductive rights;
- In the 2016 – 2020 election cycles, contributed at least \$2.8 million to anti-choice candidates and political committees from the corporate treasury and company-sponsored political action committees, according to an analysis conducted by the Sustainable Investments Institute.

Resolved:

Shareholders request that JP Morgan publish an annual report, at reasonable expense, disclosing whether incongruencies between political and electioneering expenditures and company values were identified during the preceding year, and disclosing or summarizing any actions taken regarding pausing or terminating support for organizations or politicians, and the types of incongruent policy advocacy triggering those decisions.

Supporting Statement:

Proponents recommend that such report also contain management’s analysis of risks to our company’s brand, reputation, or shareholder value of expenditures in conflict with publicly stated company values. “Expenditures for electioneering communications” means spending, from the corporate treasury and from the PACs, 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.

Proponents believe that JPMorgan should incorporate this accountability mechanism into its political contributions policies and reporting systems to achieve greater alignment with policies and initiatives of importance to the firm. This discipline will help minimize risk to the firm’s reputation and brand.

Political Contributions Misalignment

CIGNA Corporation

WHEREAS

Cigna has stated that CignaPAC supports candidates who advance public policies that will help realize our vision of a more affordable, predictable and simple health care system for all Americans. CignaPAC considers a variety of criteria in funding decisions, such as committee assignments and leadership positions; geographic concentration of Cigna employees in a district or state; key business markets; candidates' views on specific or emerging business issue(s); and candidates' viability. In addition, some considerations are so foundational that they transcend all matters of public policy; accordingly, CignaPAC's contribution strategy reflects Cigna's commitment to value diversity and inclusion, as well as equity and equality, and CignaPAC will discontinue support of any elected official who encourages or supports violence.

However, Cigna's political expenditures appear to be misaligned with the company's values and vision.

In January 2021, Cigna pledged to discontinue support to the 147 members of Congress who voted against certifying the election results yet has continued to support political committees that fundraise for them. Cigna also contributed to Georgia lawmakers who enacted legislation making it more difficult to access absentee voting ballots. Cigna has consistently supported 527 organizations leading efforts to strike down the Affordable Care Act, which has made prescription drugs more accessible for millions, and contributes to PhRMA, which supports numerous organizations opposing efforts to reform drug pricing. Cigna promotes gender equity in the workplace, and more than three-quarters of its workforce is female. Yet in the 2016-2020 election cycles, Cigna and its employee PACs have donated at least \$3.4 million to politicians and political organizations working to weaken women's access to reproductive health care. These include lawmakers who sponsored Texas SB8, which creates potential liability for organizations that insure in-state abortions after approximately 6 weeks of pregnancy. Large majorities of college-educated workers say the ability to control when and if to become a parent has been important to their career path.

Proponents believe that Cigna should establish policies and reporting systems that minimize risk to the firm's reputation and brand by addressing possible missteps in corporate electioneering and political spending that contrast with its stated objectives.

RESOLVED

Shareholders request that Cigna publish an annual report, at reasonable expense, analyzing the congruence of political, lobbying, and electioneering expenditures during the preceding year against publicly stated company values and policies, listing and explaining any instances of incongruent expenditures, and stating whether the identified incongruencies have led to a change in future expenditures or contributions.

SUPPORTING STATEMENT

Proponents recommend that such report also contain management's analysis of risks to our company's brand, reputation, or shareholder value of expenditures in conflict with publicly stated company values. Expenditures for electioneering communications means spending, from the corporate treasury and from the PACs, 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.

Political Contributions Misalignment - Racial Justice

CSX Corp.

WHEREAS: In its 2020 ESG report, CSX President and Chief Executive Officer James M. Foote expressed the Company's commitment to racial justice, noting that the company:

... reaffirmed our commitment to social justice and racial equality – both within our organization and throughout our communities. Adding CSX's voice to the side of anti-racism is not only our corporate obligation, but also an opportunity to strengthen our culture of inclusion.

The company plans to implement its social justice commitment through the following stated plans:

Potential or Perceived Inequities: Modernizing job titles to remove terminology that may be offensive or have racial connotations; reiterating zero tolerance policies; establishing long-term targets and performance management; ensuring bias mitigation and pay equity; and acknowledging the role of Black employees in CSX history.

Voter Education: Increasing voting and awareness internally; communicating voting days and procedures across our territory; and encouraging voting on election days.

Uncompensated slave labor built the CSX subsidiary, The Richmond, Fredericksburg & Potomac Railroad (RF&PR).

The legacy of slavery casts a shadow on Black Americans today. The descendants of slaves have a lower level of wealth, have lower levels of home ownership, and have lower household income.

It is unclear to investors whether the company is aligning its commitment to anti-racism with the public policies supported through its political and lobbying expenditures. The company discloses certain recipients of its political and lobbying expenditures, but not whether or how it assesses its public policy positions against its commitment to anti-racism. For example, it is unclear where the company stands in the prominent public policy debates related to racial equality such as closing the racial wealth gap, protection of voting rights including opposition to voter suppression, and reparations for descendants of slaves. To advance the Company's commitment to anti-racism, the proponent believes that CSX should clarify the types of public policies that it supports and opposes in line with its commitment to anti-racism and should be assessing whether its lobbying, political contributions and funding of third-party public policy organizations is congruent with these commitments. Further, proponents believe that CSX should disclose action taken when a funded organization or candidate contradicts CSX' own positions and how CSX engages funded organizations like trade associations on anti-racism and racial equity.

RESOLVED: Shareholders of CSX request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing whether, and how, CSX lobbying activities (direct and through trade associations and social welfare and nonprofit organizations), and any political contributions from the company or its PAC, align with the Company's stated commitments to anti-racism.

Political Contributions Misalignment - Racial Justice

Dominion Energy

Dominion Energy, Inc.'s political activities may exacerbate existing systemic racial inequities. Financial, reputational, and legal risks related to the Company's political activities could also adversely affect shareholder value.

Despite Dominion Energy's commitment to addressing racial inequality, the Company was found to be one of the top corporate contributors to lawmakers supporting voter suppression bills (<https://bit.ly/3bpL5dv>). These bills disproportionately disenfranchise Black, Indigenous and People of Color Americans (<https://nyti.ms/3BrqWyr>). The Company was also one of the top contributors to the RSLC, which in the run up to the 2020 elections focused on its right lines campaign, zeroing in on redistricting efforts. These efforts have been deemed by Mother Jones Magazine the major driving force behind political resegregation. (<https://bit.ly/328fhZj>) According to the Center for Political Accountability, gerrymandering undertaken by these organizations was racially driven, diluting Black and Brown voters' power at the ballot box. (<https://bit.ly/30ElomA>) As the Financial Times notes, the gerrymandering or redrawing of voting maps has supported the systemic economic oppression of African Americans. (<https://on.ft.com/3x3zquX>)

Corporate political activity that is inconsistent with racial equity poses a systemic risk to economic stability and introduces uncertainty and volatility into investment portfolios. As a recent Citi GPS: Global Perspectives & Solutions study found, closing racial gaps is a pareto improvement to both the U.S. economy and society. If racial gaps had been closed 20 years ago, U.S. GDP could have benefited by an estimated \$16 trillion (<http://citi.us/3gNyDWS>).

Misalignment poses potential financial risks. According to Public Citizen, Dominion is one of the top corporate contributors to politicians supporting voter suppression bills in Virginia. (<https://bit.ly/3kLcRGJ>). Several major corporations have already faced boycotts for failing to strongly oppose voter suppression bills.

Political activity that contributes to the further restriction and criminalization of voting access contributes to economic instability. It has been shown that voting access has a direct impact on social and economic racial gaps with greater voting access correlated to improvements in a variety of economic factors. By aligning its political activity with its stated commitment to social justice and equality and its support for efforts intended to address the fundamental causes of systemic racism, including voter suppression, Dominion Energy can mitigate risk and contribute positively to long-term shareholder value.

RESOLVED: Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if and how Dominion Energy, Inc.'s political activities (direct and through trade associations) align with the Company's stated commitment to social justice and racial equality. The report should also address the risks presented by any misalignment and the company's plans, if any, to mitigate these risks.

Political Contributions Misalignment - Racial Justice

AT&T Inc.

AT&T Inc.'s lobbying may exacerbate existing systemic racial inequities and could potentially impinge upon civil and human rights. Financial, reputational, and legal risks related to the Company's political activities could also adversely affect shareholder value.

Despite AT&T's commitment to addressing racial inequality and voter suppression, the Company was found to be one of the top corporate contributors to lawmakers supporting voter suppression bills (<https://bit.ly/3bpL5dv>). These bills disproportionately disenfranchise Black, Indigenous and People of Color Americans (<https://nyti.ms/3BrqWyr>).

Misalignment poses potential financial risks. AT&T is one of the top corporate contributors to politicians supporting voter suppression bills in Georgia (<https://bit.ly/3bpL5dv>), a state where several major corporations have already faced boycotts for not strongly opposing voter suppression bills. As Deborah Scott, the Executive Director of Georgia STAND-UP, noted in the case of Georgia, [Corporations are] hurting their economic base. We know Black and Brown [...] folks yield a lot of power, and they buy these products... so they need to be good partners to their consumers. (<https://abcn.ws/3GwHjxn>)

AT&T has already received negative press for misalignment between its political spending and stated values, with the New York Times calling AT&T and other companies' spending hypocritical. (<https://nyti.ms/3Ctg09I>) AT&T has also faced public pushback in Texas, where protests specifically targeted the Company's contribution to lawmakers pushing legislation to further restrict voting access. Shareholders have raised concerns around misalignment between corporations' stated values and corporate lobbying practices. For instance, BlackRock has stated that it may vote in favor of shareholder proposals seeking to address inconsistencies between corporations' political activities and public policy priorities. Employees have also raised concerns around the misalignment between the Company's stated values and its political activity related to voting rights.

Corporate political activity that is inconsistent with racial equity poses a systemic risk to economic stability and introduces uncertainty and volatility into investment portfolios. As a recent Citi GPS: Global Perspectives & Solutions study found, closing racial gaps is a pareto improvement to both the U.S. economy and society. If racial gaps had been closed 20 years ago, U.S. GDP could have benefited by an estimated \$16 trillion (<http://citi.us/3gNyDWS>).

Political activity that further restricts and criminalizes voting access contributes to economic instability. It has been shown that voting access has a direct impact on social and economic racial gaps with greater voting access correlated to improvements in a variety of economic factors. We believe that political activity aligned with AT&T's stated commitment to racial equity helps to mitigate risks and contributes positively to the long-term value of our investment portfolios.

RESOLVED: Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if and how AT&T Inc.'s political activities (direct and through trade associations) align with the Company's stated commitment to racial equity and justice, including voting rights. The report should also address the risks presented by any misalignment and the company's plans, if any, to mitigate these risks.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Political Contributions

Exxon Mobil Corporation

A similar resolution was submitted to DaVita Inc.

RESOLVED: That the shareholders of Exxon Mobil Corporation (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:

- 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
- Monetary and non-monetary contributions or expenditures that could not be deducted as an ordinary and necessary business expense under section 162(e)(1)(B) of the Internal Revenue Code, including (but not limited to) contributions or expenditures on behalf of candidates, parties, and committees and entities organized and operating under section 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments made to any tax-exempt organization (such as a trade association) used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e)(1)(B) of the Internal Revenue Code.

The report shall be made available within 12 months of the annual meeting and identify all recipients and the amount paid to each recipient from Company funds. This proposal does not encompass lobbying spending.

SUPPORTING STATEMENT

As long-term Exxon shareholders, we support transparency and accountability in corporate electoral spending. A company's reputation, value, and bottom line can be adversely impacted by election spending that is conducted blindly.

The Conference Board's 2021 *Under a Microscope* report¹ details these risks, recommends the process suggested in this proposal, and warns a new era of stakeholder scrutiny, social media, and political polarization has propelled corporate political activity – and the risks that come with it – into the spotlight. Political activity can pose increasingly significant risks for companies, including the perception that political contributions – and other forms of activity – are at odds with core company values.

Exxon discloses some election related spending, but it does not disclose direct independent expenditures, payments to influence the outcome of ballot measures, or payments to trade associations or 501(c)(4) organizations that could be used for election-related purposes.

Publicly available records show Exxon has contributed nearly \$20 million in corporate funds since the 2010 election cycle.

But 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 leading companies, including AT&T, Phillips 66, and ConocoPhillips.

We believe Exxon's lack of disclosure presents reputational risk when the candidates supported by its election spending contradict company public positions or take controversial positions. For example, Exxon supports federal tax policies to address climate change, yet many of the candidates supported by its trade associations speak out against climate action and even question the scientific consensus on climate change.

THEREFORE: We urge support FOR this critical governance reform.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 281.

Political Contributions

Coterra Energy

Similar resolutions were submitted to Advance Auto Parts, Inc., Flowers Foods, Inc., Old Dominion Freight Line, PPG Industries, Inc., and Roper Industries, Inc.

RESOLVED, that the shareholders of Coterra Energy Inc. (Coterra or Company) hereby request that the Company provide a report, updated semiannually, disclosing the Company's:

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. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:

- The identity of the recipient as well as the amount paid to each; and
- 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 expenditures.

SUPPORTING STATEMENT: As long-term shareholders of Coterra, 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.

A company's reputation, value, and bottom line can be adversely impacted by spending that is conducted blindly. The risk is especially serious when giving to trade associations, Super PACs, 527 committees, and social welfare organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support.

The Conference Board's 2021 Under a Microscope report details these risks, recommends the process suggested in this proposal, and warns a new era of stakeholder scrutiny, social media, and political polarization has propelled corporate political activity—and the risks that come with it—into the spotlight. Political activity can pose increasingly significant risks for companies, including the perception that political contributions—and other forms of activity—are at odds with core company values.

This proposal asks Coterra to disclose all its electoral spending, including payments to trade associations and other tax-exempt organizations which may be used for electoral purposes—and are otherwise undisclosed. This would bring our Company in line with a growing number of leading companies, including Apache Corporation, Diamondback Energy, and Phillips 66, which present this information on their websites.

Without knowing the recipients of our Company's political dollars we cannot sufficiently assess whether our Company's election-related spending aligns or conflicts with its stances on key environmental and social issues like climate change and racial equity. We urge your support for this critical governance reform.

Political Contributions

Costco Wholesale Corp.

A similar resolution was submitted to Walgreens Boots Alliance.

RESOLVED: Shareholders of Costco Wholesale Corporation (Costco or Company) request Costco adopt a policy requiring that any trade association, social welfare organization, or other organization that engages in political activities seeking financial support from Company agree to report to Costco, at least annually, the organization's expenditures for political activities, including the amount spent and the recipient, and that each such report be posted on Costco's website. For purposes of this proposal, political activities are:

influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office; or supporting a party, committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures to engage in the activities described in (i).

SUPPORTING STATEMENT: As long-term Costco shareholders, we support transparency and accountability in corporate electoral spending. Unless a company knows which candidates and political causes its funds ultimately support, it cannot assure shareholders, employees, or other stakeholders that its spending aligns with core values, business objectives, and policy positions. Misaligned or non-transparent funding creates reputational risk that can harm shareholder value. It can also place a company in legal jeopardy. Without the information requested by this resolution, none of the board, senior management, or shareowners can assess the risks associated with political spending.

Costco's reputation, value, and bottom line can be adversely impacted by spending that is conducted blindly. The risk is especially serious when giving to trade associations, Super PACs, 527 committees, and social welfare organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support. The Conference Board's 2021 Under a Microscope¹ report details these risks, discusses how to effectively manage them, and recommends the process suggested in this proposal.

Media coverage has amplified the risk a company's blind spending can pose. Company spending has been tied to attacks on voting rights and efforts to deny climate change – associations many companies wish to avoid. Contributions to third-party groups can also embroil companies in scandal. For instance, FirstEnergy Corp was tainted when it contributed to a political advocacy organization that later pled guilty to Ohio's largest bribery scheme. FirstEnergy's stock price dropped and the scandal led to the resignation of several top officers.

Costco has not disclosed a policy on payments to 501(c)(4) social welfare organizations. It is unknown whether Costco has contributed to such organizations, and if so, whether its board received sufficient information from these groups to assess (a) the potential risks for the Company and stockholders, and (b) whether the groups' expenditures aligned with Costco's core values, business objectives, and policy positions.

Mandating reports from third-party groups receiving Company political money would demonstrate Costco's commitment to robust risk management and responsible civic engagement.

We urge a vote FOR the commonsense risk management measures contained in Proposal [4*].

1. <https://www.conference-board.org/publications/Under-a-Microscope-ES>

Shareholder Advocacy

Shareholder advocacy covers a wide spectrum of tactics used by investors to influence the companies they own on questions of corporate social responsibility (CSR). Levels of advocacy can range from proxy voting in favor of shareholder-sponsored resolutions to direct engagement of management in investor dialogues; the intensity of engagement depends on the priorities and resources of the investor.

What is implicit in this work, however, is an acknowledgement of the responsibility that comes with stock ownership to ensure that management is doing what it can to improve its performance both financially and in terms of environmental, social and governance (ESG) measures, as this has direct implications throughout corporate global supply chains, and for communities where companies operate.

Visit ICCR's website (www.iccr.org) for more information on shareholder advocacy.

What is a Shareholder Resolution?

Every year beginning roughly in March, American corporations begin sending out proxy statements to their shareholders. Proxy statements list all the resolutions scheduled for a vote at a company's upcoming shareholder meeting, both those proposed by management, and those proposed by shareholders. Roughly one page in length, these resolutions contain a formal resolved clause, which is a specific request or "ask", with a number of carefully-researched rationales in the form of "whereas clauses" and supporting statements. The timetable for soliciting votes for the annual meeting depends largely on a company's meeting date, which usually is determined by the board of directors.

Proxy statements also include important information that the Securities and Exchange Commission (SEC) requires corporations to provide to

their shareholders, such as corporate governance and financing information, like nominations for the board of directors, proposed incentive structures, or capitalization plans.

Shareholders are part-owners of companies, and as such they have the right to participate in annual general meetings (AGMs) where key decision-making takes place. Therefore, any shareholder who has held at least one share of company stock for at least two months or more may vote on resolutions, either in person at the company's annual meeting, or via a proxy ballot, which can be done online using special voting websites like <https://central.proxyvote.com/pv/web>, or by mail. It is important to note that **proxy voting is the primary forum by which management seeks affirmation of its actions.** At the same time, it is the primary method investors use to reach out to other shareholders for support of their resolutions.

If investors do not actively vote their proxies, they automatically default to a vote for management. For this reason you should carefully review the company proxy statements you receive in the mail and exercise your shareholder rights by voting.

Who Can File a Shareholder Resolution?

Any shareholder owning \$25,000 in shares for at least a year (or \$15,000 for two years, or \$2,000 for three years) can introduce a proposal. Shareholder-sponsored resolutions must be filed with companies' corporate secretaries by specific dates in order to be placed on the company proxy ballot. Individual investors new to the process might want to consider teaming up with more experienced investors as the SEC rules on the drafting and submission of resolutions can be somewhat difficult to navigate and, if they are challenged at the SEC, difficult to appeal.

ICCR members are familiar enough with the process that they can draft resolutions that are

not only more likely to withstand challenges at the SEC but will achieve higher votes at AGMs. Moreover, by working in coalition and co-filing with other ICCR members, our proposals are likely to receive greater attention from management who may wish to negotiate a withdrawal in exchange for taking action on an issue.

What are the Guidelines for Writing a Shareholder Resolution?

The text of a resolution may not exceed 500 words (including any accompanying statement of support) and it may not contain any materially false or misleading statements. The matter addressed in the shareholder proposal must be “relevant” — i.e., it must relate to at least 5 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 can ask the SEC for permission to exclude a proposal that does not conform to all requirements. Indeed, every year, a few dozen corporations use the process outlined by the SEC to attempt to exclude shareholder resolutions—and the issues raised therein—from their proxy ballots. Filers have the right to appeal a company’s SEC challenge, however, and usually

do so through legal counsel. The SEC staff then adjudicate between the competing arguments. The rules governing these decisions can be found on the SEC website: <http://www.sec.gov/interp/legal/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 present to second the motion.

A resolution need not garner 51 percent of the vote to “win.” Votes in excess of 25 percent are generally considered very successful in focusing investor and management attention on issues. A resolution must get at least 5 percent of the vote in its first year, 15 percent of the vote in its second year, and 25 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 an especially effective strategy to increase the size of the vote for resolutions. This is typically done via proxy exempt solicitation or proxy memos, which outline the reasons why investors should vote in favor of a given resolution.

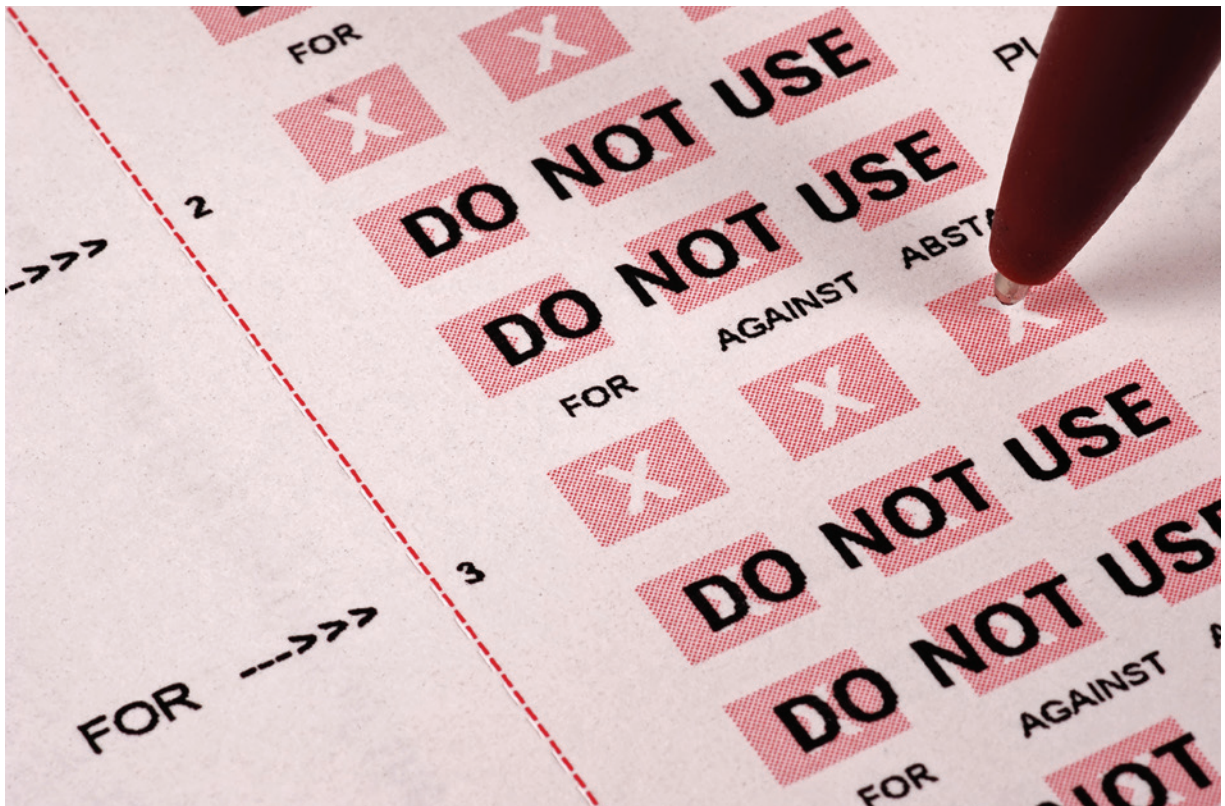
While increasingly common, majority votes are difficult to achieve for a number of reasons. Not only is it rare for 100 percent of company shareholders to vote, in many cases, shareholder votes — particularly institutional shareholder votes — are determined by proxy voting firms which advise shareholders. Proxy voting firms generally prefer to leave decisions regarding day-to-day management, as well as social, environmental or political issues, to management and the board, and therefore vote in line with management recommendations on proxy ballots. In addition, some corporate founders retain control

over a large amount—even a majority—of shares. In Alphabet’s multi-class voting structure, for instance, each share of Class B common stock has 10 votes, leaving founders Mr. Page and Mr. Brin with control over 51 percent of the company’s total voting power, while owning less than 13 percent of its stock.

What if All My Investments are in Mutual Funds?

Mutual funds have the clout to hold the companies in their portfolios accountable. Furthermore, they have a duty to do so. As companies which fail to address corporate responsibility and sustainability are at risk for financial losses, lawsuits, and insurance problems, mutual funds are compelled to act responsibly to ensure that the companies in their portfolios minimize risk. But many mutual funds fall far short of addressing investor concerns.

As a first step, you should find out how your mutual funds vote. Because a fund’s Form N-PX filing with the SEC is publicly available, you can find proxy voting record information for a mutual fund by searching the SEC’s EDGAR database (<http://www.sec.gov/edgar/searchedgar/webusers.htm>). This information is also available in mutual funds’ semi-annual and annual reports to shareholders. You may also want to contact the financial managers who run your mutual funds directly, and request their voting records and policies on voting shareholder resolutions. You can then encourage them to vote for ESG resolutions.



Resolution Leads and Co-Filers

** Denotes lead sponsor of the resolution*

2U, INC.

Majority Vote

*Corporate Governance

3D SYSTEMS CORPORATION

Racial and Gender Board Diversity Report

*Corporate Governance

3M COMPANY

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

3M COMPANY

External Environmental Costs

*The Shareholder Commons

ABBOTT LABORATORIES

Lobbying Expenditures Disclosure

*Unitarian Universalist Association, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Proxy Impact, Sisters of Charity of the Blessed Virgin Mary

ABBOTT LABORATORIES

Public Health Costs of Antimicrobial Resistance

*The Shareholder Commons

ABBVIE

Anticompetitive Practices

*Friends Fiduciary Corporation, Bon Secours Mercy Health, CommonSpirit Health, Mercy Investment Services, Missionary Oblates of Mary Immaculate, Northwest Women Religious Investment Trust, Sisters of Charity of St. Elizabeth, NJ, Sisters of Charity of the Blessed Virgin Mary, Trinity Health

ABBVIE

Lobbying Expenditures Disclosure

*Zevin Asset Management, Dana Investment Advisors

ABBVIE

Political Contributions Misalignment

*As You Sow Foundation

ACTIVISION BLIZZARD, INC.

EEO-1 disclosure

*Unitarian Universalist Association

ACTIVISION BLIZZARD, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, *Corporate Governance

ACTIVISION BLIZZARD, INC.

Include Non-Management Employees on the Board

*AFL-CIO

ADVANCE AUTO PARTS, INC.

Political Contributions

*Boston Common Asset Management, LLC

AGILENT TECHNOLOGIES

Right of Shareholders to Call Special Meetings

*Corporate Governance

AIR PRODUCTS & CHEMICALS

Set Emission Reductions Targets for Company's Full Value Chain - Scopes 1-3

*Nathan Cummings Foundation

ALARM.COM HOLDINGS, INC.

Shareholder Proxy Access

*Corporate Governance

ALLEGHENY TECHNOLOGIES

Net-Zero Climate Targets

*As You Sow Foundation

ALPHABET, INC.

Algorithm Disclosures

*Trillium Asset Management, Congregation of St. Joseph, OH, Mercy Investment Services, Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD

ALPHABET, INC.

Data Operations in Human Rights Hotspots

*SumOfUs

ALPHABET, INC.

Give Each Share an Equal Vote

*NorthStar Asset Management

ALPHABET, INC.

Government-Mandated Content Removal Requests

*Azzad Asset Management, Newground Social Investment, CommonSpirit Health

ALPHABET, INC.

Lobbying Expenditures Disclosure

*Boston Common Asset Management, LLC

ALPHABET, INC.

Paris-Aligned Climate Lobbying

*Zevin Asset Management, American Baptist Home Mission Societies, Benedictine Sisters of Virginia, Boston Trust Walden, Dana Investment Advisors, Dominican Sisters of Springfield, Illinois, Missionary Oblates of Mary Immaculate, Unitarian Universalist Association, Unspecified

ALPHABET, INC.

Racial and Gender Board Diversity Report

*Arjuna Capital, Sisters of St. Francis Charitable Trust

ALPHABET, INC.

Racial Equity Audit

*Nathan Cummings Foundation, *Open MIC, Adrian Dominican Sisters, Bon Secours Mercy Health, Northwest Women Religious Investment Trust, Providence St. Joseph Health, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

ALPHABET, INC.

Right to Repair

*Green Century Capital Management

ALPHABET, INC.

Risks Associated with Use of Concealment Clauses

*Whistle Stop Capital, LLC

ALPHABET, INC.

Water Management Risks

*As You Sow Foundation, Bon Secours Mercy Health, CommonSpirit Health, Congregation of St. Joseph, OH, Mercy Investment Services, Providence St. Joseph Health, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Dominic of Caldwell, NJ

ALTRIA GROUP, INC.

Lobbying Expenditures Disclosure

*Trinity Health, Sisters of St. Dominic of Caldwell, NJ, Sisters of St. Joseph of Carondelet of St. Paul Province

AMAZON.COM, INC

Address Wealth Inequality Through an Ownership Culture

*Corporate Governance

AMAZON.COM, INC

Adopt Paid Sick Leave Policy

*United Church Funds

AMAZON.COM, INC

Amazon 401(k) Climate Alignment

*As You Sow Foundation

AMAZON.COM, INC

Customer Due Diligence

*Sisters of St. Joseph, Brentwood, American Baptist Home Mission Societies, Friends Fiduciary Corporation, Maryknoll Sisters, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Sisters of Charity of St. Elizabeth, NJ, Unitarian Universalist Association

AMAZON.COM, INC

Gender and Racial Pay Gap

*Arjuna Capital, Dominican Sisters of Springfield, Illinois

AMAZON.COM, INC

Hourly Employees on Board of Directors

*Oxfam America

AMAZON.COM, INC

Independent Board Chair

*Zevin Asset Management

AMAZON.COM, INC

Lobbying Expenditures Disclosure

*International Brotherhood of Teamsters

AMAZON.COM, INC

Paris-Aligned Climate Lobbying

*Newground Social Investment, *Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD, Proxy Impact

AMAZON.COM, INC

Racial Equity Audit

*New York State Common Retirement Fund, Everence, Northwest Women Religious Investment Trust, Sisters of St. Joseph of Peace, WA, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

AMAZON.COM, INC

Reduce Plastics Use

*As You Sow Foundation, Dana Investment Advisors

AMAZON.COM, INC

Recognition — Facial Recognition Technology

*Harrington Investments, Adrian Dominican Sisters, CommonSpirit Health, Daughters of Charity, Province of St Louise, Mercy Investment Services, Providence St. Joseph Health

AMAZON.COM, INC

Risk Report on Staffing

*UAW Retiree Medical Benefits Trust

AMAZON.COM, INC

Risks Associated with Use of Concealment Clauses

*Whistle Stop Capital, LLC

AMAZON.COM, INC

Tax Transparency

*Missionary Oblates of Mary Immaculate, Sisters of the Order of St. Benedict, Rock Island

AMEDISYS INC.

Disclose Short, Medium & Long-Term GHG Reduction Targets

*As You Sow Foundation

AMERICAN AIRLINES GROUP

Paris-Aligned Climate Lobbying

*Presbyterian Church (USA)

AMERICAN EXPRESS CO.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, Corporate Governance

AMERICAN INTERNATIONAL GROUP, INC. (AIG)

Ensure that Underwriting Practices Do Not Support New Fossil Fuel Supplies

*Presbyterian Church (USA)

AMERICAN INTERNATIONAL GROUP, INC. (AIG)

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

AMERICAN INTERNATIONAL GROUP, INC. (AIG)

Paris-Aligned Climate Lobbying

*Mercy Investment Services, Portico Benefit Services (ELCA)

AMERICAN WATER WORKS COMPANY, INC.

Disclose Medium & Long-Term GHG Reduction Targets - Scopes 1-3

*Proxy Impact

AMERICAN WATER WORKS COMPANY, INC.

Racial Equity Audit

*Trillium Asset Management

AMERISOURCE BERGEN

Executive Incentive Compensation - Compliance Costs

*International Brotherhood of Teamsters

AMGEN INC.

Lobbying Alignment

*Mercy Investment Services, Dana Investment Advisors, Grand Rapids Dominicans

AMGEN INC.

Paris-Aligned Climate Lobbying

*Boston Trust Walden

AMGEN INC.

Political Contributions Misalignment

*As You Sow Foundation

ANTERO RESOURCES

Direct Methane Measurement

*Mercy Investment Services

ANTHEM, INC.

Racial Equity Audit

*Trillium Asset Management, Daughters of Charity, Province of St Louise, Mercy Investment Services, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church

APPLE COMPUTER, INC.

Gender and Racial Pay Gap

*Arjuna Capital

APPLE COMPUTER, INC.

Racial Equity Audit

*Service Employees International Union (SEIU)

Resolution Leads and Co-Filers

APPLE COMPUTER, INC.

Report on Forced Labor

*SumOfUs

APPLE COMPUTER, INC.

Right to Repair

*Green Century Capital Management

APPLE COMPUTER, INC.

Risks Associated with Use of Concealment Clauses

*Nia Impact Capital

APPLE COMPUTER, INC.

Shareholder Proxy Access

*Corporate Governance

APPLE COMPUTER, INC.

Transparency Reports

*Azzad Asset Management

ARCHER-DANIELS-MIDLAND COMPANY

Measuring Pesticide Use in Agricultural Supply Chains

*As You Sow Foundation

AT&T INC.

Alignment of Stated Corporate Values with Political and Electioneering Expenditure

*As You Sow Foundation, Corporate Governance

AT&T INC.

Political Contributions Misalignment - Racial Justice

*Nathan Cummings Foundation

AXON ENTERPRISE INC

Annual Board Election

*Corporate Governance

B&G FOODS, INC.

Measuring Pesticide Use in Agricultural Supply Chains

*As You Sow Foundation

BADGER METER INC.

Report on Steps Taken to Foster Greater Racial Equity on the Board.

*NorthStar Asset Management

BANK OF AMERICA CORP.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*Sierra Club Foundation

BANK OF AMERICA CORP.

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

BANK OF AMERICA CORP.

Financing Consistent with IEA Net-Zero 2050 Scenario

*Trillium Asset Management, Adrian Dominican Sisters, Mercy Investment Services, Sisters of St. Joseph of Peace, WA

BED BATH & BEYOND INC.

Chemical Management

*Mercy Investment Services

BERKSHIRE HATHAWAY INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

BEST BUY CO., INC.

Employee Misclassification

*International Brotherhood of Teamsters

BEST BUY CO., INC.

Gender and Racial Pay Gap

*Proxy Impact

BIOGEN, INC.

Lobbying Expenditures Disclosure

*Boston Common Asset Management, LLC, CommonSpirit Health, Friends Fiduciary Corporation, Mercy Investment Services, Sisters of St. Francis Charitable Trust, Trinity Health

BJ'S RESTAURANTS, INC.

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Trillium Asset Management

BJ'S WHOLESALE

Adopt Short, Medium and Long-Term Science-Based GHG Reduction Targets

*Trillium Asset Management

BLACKROCK, INC.

Curtail Activities that Externalize Social and Environmental Costs

*Corporate Governance

BOEING COMPANY

Disclosure of Net-Zero GHG Indicator Progress

*As You Sow Foundation

BOEING COMPANY

Lobbying Expenditures Disclosure

*Province of St. Joseph of the Capuchin Order
(Midwest Capuchins)

BOEING COMPANY

Shareholder Ratification of Termination Pay

*Corporate Governance

BRISTOL-MYERS SQUIBB COMPANY

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

BRISTOL-MYERS SQUIBB COMPANY

Independent Board Chair

*Mercy Investment Services, Bon Secours
Mercy Health, CommonSpirit Health, Daughters
of Charity, Province of St Louise, Grand Rapids
Dominicans, Sisters of St. Dominic of Caldwell,
NJ, Sisters of the Holy Names of Jesus and Mary,
US Ontario Province

CACTUS, INC.

Racial and Gender Board Diversity Report

*Boston Trust Walden

CATERPILLAR INC.

Disclose Interim and Long-Term GHG Reduction Targets - Scopes 1-3

*As You Sow Foundation

CATERPILLAR INC.

Human Rights Risks in Conflict-Affected and High-Risk Areas Policies

*Wespath Benefits and Investments,
Congregation des Soeurs des Saints Noms de
Jesus et de Marie, Congregation of Benedictine
Sisters, Boerne TX, Mercy Investment Services,
Sisters of the Presentation of the Blessed Virgin
Mary of Aberdeen, SD

CATERPILLAR INC.

Lobbying Expenditures Disclosure

*Corporate Governance

CATHAY GENERAL BANCORP

Sustainability Reporting

*Boston Trust Walden

CELLEX THERAPEUTICS, INC.

Shareholder Proxy Access

*Corporate Governance

CERNER CORPORATION

AI Fairness, Accountability and Transparency

*Parnassus Investments

CHARLES RIVER LABORATORIES INTERNATIONAL

Shareholder Proxy Access

*Corporate Governance

CHARLES SCHWAB CORPORATION (THE)

Disclose Plans and Policies Aligned with Achieving Racial Equality

*As You Sow Foundation

CHARLES SCHWAB CORPORATION (THE)

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*Proxy Impact

CHARLES SCHWAB CORPORATION (THE)

Lobbying Expenditures Disclosure

*Friends Fiduciary Corporation, Clean Yield Asset
Management

CHARLES SCHWAB CORPORATION (THE)

Shareholder Proxy Access

*Corporate Governance

CHARTER COMMUNICATIONS, INC.

EEO-1 Disclosure

*Calvert Research and Management, Unitarian
Universalist Association

CHARTER COMMUNICATIONS, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

CHARTER COMMUNICATIONS, INC.

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

CHEESECAKE FACTORY

Net-Zero Climate Targets

*As You Sow Foundation

CHEVRON CORP.

Adopt GHG Reduction Targets for Scopes 1-3

*Follow This, Arjuna Capital

CHEVRON CORP.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*As You Sow Foundation

CHEVRON CORP.

Direct Methane Measurement

*Mercy Investment Services, Adrian Dominican Sisters, Bon Secours Mercy Health, CommonSpirit Health, Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise, Providence St. Joseph Health

CHEVRON CORP.

Lobbying Expenditures Disclosure

*City of Philadelphia Public Employees Retirement System, United Church Funds

CHEVRON CORP.

No Business with Governments Complicit in Genocide - Myanmar

*International Brotherhood of Teamsters, Dominican Sisters of Hope, Grand Rapids Dominicans, Riverwater Partners LLC, Unitarian Universalist Association, Alleghany Franciscans, American Baptist Home Mission Societies, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Congregation of Benedictine Sisters, Boerne TX, Congregation of the Sisters of the Holy Cross, Indiana, Dana Investment Advisors, PeaceHealth, Portico Benefit Services (ELCA), School Sisters of Notre Dame Central Pacific Province, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Dominic of Caldwell, NJ, Sisters of St. Francis Charitable Trust, Sisters of St. Joseph Chestnut Hill Philadelphia, Sisters of St. Joseph Chestnut Hill Philadelphia, Sisters of St. Joseph of Orange, Sisters of St. Mary of Oregon, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, Sisters of the Humility of Mary, OH, Trinity Health

CHEVRON CORP.

Report on Oil and Gas Exploration in the Arctic

*Green Century Capital Management

CHIPOTLE MEXICAN GRILL, INC.

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

CHIPOTLE MEXICAN GRILL, INC.

Gender and Racial Pay Gap

*Arjuna Capital

CHIPOTLE MEXICAN GRILL, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*Nathan Cummings Foundation

CHUBB LIMITED

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

*As You Sow Foundation

CHURCH & DWIGHT CO., INC.

Reduce Plastics Use

*As You Sow Foundation

CIGNA CORPORATION

Gender and Racial Pay Gap

*Proxy Impact

CIGNA CORPORATION

Political Contributions Misalignment

*Clean Yield Asset Management

CITIGROUP

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*Sierra Club Foundation

CITIGROUP

Ensure that Underwriting Practices Do Not Support New Fossil Fuel Supplies

*Harrington Investments, Boston Common Asset Management, LLC

CITIGROUP

Respect for Rights of Indigenous Peoples

*Sisters of St. Joseph, Brentwood, Missionary Oblates of Mary Immaculate

CME GROUP, INC.

Lobbying Expenditures Disclosure

*Boston Common Asset Management, LLC

CMS ENERGY CORP.

Report on Scope 3 Greenhouse Gas Reductions Aligned with Paris Goal

*Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD

COCA-COLA COMPANY

External Public Health Impact Disclosure

*Newground Social Investment

COLUMBIA/HCA HEALTHCARE CORP. (HCA)

Lobbying Expenditures Disclosure

*International Brotherhood of Teamsters

COMCAST CORP.

Align Retirement Plan Options with Climate Action Goals

*As You Sow Foundation

COMCAST CORP.

Racial Equity Audit

*Service Employees International Union (SEIU)

COMCAST CORP.

Sexual Harrassment

*Arjuna Capital

CORVEL CORPORATION

Racial and Gender Board Diversity Report

*Boston Trust Walden

COSTCO WHOLESALE CORP.

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Green Century Capital Management

COSTCO WHOLESALE CORP.

Phase Out Use of Medically Important Antibiotics

*As You Sow Foundation

COSTCO WHOLESALE CORP.

Political Contributions

*Corporate Governance

COSTCO WHOLESALE CORP.

Racial Justice and Food Equity

*American Baptist Home Mission Societies, Franciscan Sisters of Perpetual Adoration

COTERRA ENERGY

Political Contributions

*Nathan Cummings Foundation

CSX CORP.

Political Contributions Misalignment - Racial Justice

*Clean Yield Asset Management

CVS HEALTH CORP

Adopt Paid Sick Leave Policy

*Trillium Asset Management, Portico Benefit Services (ELCA)

CVS HEALTH CORP

Effect of Junk Food Sales on Diversified Portfolios

*Corporate Governance

DANAHER CORP.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

DAVITA INC.

Political Contributions

*Friends Fiduciary Corporation

DEERE & COMPANY

Right to Repair

*Green Century Capital Management

DENNY'S CORPORATION

Increase Starting Wages

*Benedictine Sisters of Mount St. Scholastica

DEXCOM INC.

Shareholder Proxy Access

*Corporate Governance

DINE BRANDS GLOBAL, INC.

Increase Starting Wages

*Sisters of Charity of the Blessed Virgin Mary, Mercy Investment Services

DISNEY (WALT) COMPANY / ABC

Gender and Racial Pay Gap

*Arjuna Capital

DISNEY (WALT) COMPANY / ABC

Lobbying Expenditures Disclosure

*Mercy Investment Services, Benedictine Sisters of Virginia, Boston Trust Walden, Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise, Missionary Oblates of Mary Immaculate, Missionary Oblates of Mary Immaculate, Sisters of the Order of St. Benedict, Rock Island

DOLLAR GENERAL CORPORATION

Disclose Plans and Policies Aligned with Achieving Racial Equality

*As You Sow Foundation

DOLLAR GENERAL CORPORATION

EEO-1 Disclosure

*Boston Trust Walden, First Parish In Cambridge - Unitarian Universalist, Pride Foundation, Summit Charitable Foundation, Tides Foundation

DOLLAR GENERAL CORPORATION

Improving the Company's Chemical Footprint

*Presbyterian Church (USA), Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Mercy Investment Services, Trinity Health

DOLLAR GENERAL CORPORATION

Racial Equity Audit

*New York State Common Retirement Fund, Adrian Dominican Sisters

DOLLAR TREE STORES

Competitive Employment Standards, Including Wages and Benefits

*United Church Funds

DOLLAR TREE STORES

Disclose Plans to Reduce GHG Emissions, Scopes 1-3

*As You Sow Foundation

DOLLARAMA, INC.

Third-Party Staffing Agencies & Collective Bargaining

*B.C. General Employees? Union (BCGEU)

DOMINION ENERGY

Improve GHG Reduction Targets to Include Scope 3 Emissions

*As You Sow Foundation

DOMINION ENERGY

Political Contributions Misalignment - Racial Justice

*Nathan Cummings Foundation

DOUGLAS EMMETT, INC.

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

DOW INC.

Impact of Reduced Plastics Demand on Financial Assumptions

*As You Sow Foundation

DOW INC.

Racial Equity Audit

*School Sisters of Notre Dame Cooperative Investment Fund, American Baptist Home Mission Societies, Mercy Investment Services, Sisters of the Good Shepherd

DTE ENERGY

Improve GHG Reduction Targets to Include Scope 3 Emissions

*As You Sow Foundation, Grand Rapids Dominicans, Mercy Investment Services, Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

DUKE ENERGY CORP.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*California State Teachers' Retirement System (CalSTRS), Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise, Mercy Investment Services

DUKE ENERGY CORP.

Improve GHG Reduction Targets to Include Scope 3 Emissions

*As You Sow Foundation

EAST WEST BANCORP

Sustainability Reporting

*Boston Trust Walden

ECOLAB INC.

Lobbying Expenditures Disclosure

*Boston Common Asset Management, LLC

ELECTRONIC ARTS INC.

Shareholder Ratification of Termination Pay

*Corporate Governance

ELI LILLY AND COMPANY

Anticompetitive Practices

*Trinity Health, Adrian Dominican Sisters, Bon Secours Mercy Health, Friends Fiduciary Corporation, Mercy Investment Services, Sisters of Charity of St. Elizabeth, NJ

ELI LILLY AND COMPANY

Independent Board Chair

*Legal & General Investment Management, Daughters of Charity, Province of St Louise, Providence St. Joseph Health

ELI LILLY AND COMPANY

Lobbying Alignment

*CommonSpirit Health, Missionary Oblates of Mary Immaculate, School Sisters of Notre Dame Central Pacific Province

Resolution Leads and Co-Filers

ELI LILLY AND COMPANY

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

ELI LILLY AND COMPANY

Political Contributions Misalignment

*As You Sow Foundation

ENBRIDGE INC.

Science-Based Net-Zero Target

*Investors for Paris Compliance

ENERGY CORP.

Audited Report on Impact of Net-Zero Emissions by 2030 Scenario

*Presbyterian Church (USA)

ENERGY CORP.

Disclose Plans and Policies Aligned with Achieving Racial Equality

*As You Sow Foundation

ETSY, INC.

Risks Associated with Use of Concealment Clauses

*Nia Impact Capital

EVERSOURCE ENERGY

Disclose Plans and Policies Aligned with Achieving Racial Equality

*As You Sow Foundation

EXACT SCIENCES CORPORATION

Shareholder Proxy Access

*Corporate Governance

EXELON CORPORATION

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

EXELON CORPORATION

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

EXXON MOBIL CORPORATION

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*Christian Brothers Investment Services, Adrian Dominican Sisters, As You Sow Foundation, Benedictine Sisters of Virginia, Bon Secours Mercy Health, CommonSpirit Health, Congregation des Soeurs des Saints Noms de Jesus et de Marie, Congregation of Benedictine Sisters, Boerne TX, Congregation of St. Joseph,

OH, Daughters of Charity, Province of St Louise, Dominican Sisters of Hope, Maryknoll Sisters, Mercy Investment Services, Presbyterian Church (USA), Providence St. Joseph Health, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), School Sisters of Notre Dame Central Pacific Province, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of St. Dominic of Caldwell, NJ, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

EXXON MOBIL CORPORATION

Impact of Reduced Plastics Demand on Financial Assumptions

*As You Sow Foundation

EXXON MOBIL CORPORATION

Independent Board Chair

*Vermont Pension Investment Commission, Sisters of St. Francis Charitable Trust, Grand Rapids Dominicans

EXXON MOBIL CORPORATION

Paris-Aligned Climate Lobbying

*BNP Paribas Asset Management, Dana Investment Advisors

EXXON MOBIL CORPORATION

Political Contributions

*Unitarian Universalist Association, Newground Social Investment

EXXON MOBIL CORPORATION

Report on Low Carbon Business Planning

*Arjuna Capital

FACTSET RESEARCH SYSTEMS

Annual Board Election

*Corporate Governance

FACTSET RESEARCH SYSTEMS

Shareholder Proxy Access

*Corporate Governance

FEDEX CORPORATION

Paris-Aligned Climate Lobbying

*Pension Boards, United Church of Christ

FIVE BELOW

Sustainable Accounting on Chemicals Policy

*Trinity Health, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama

FLOWERS FOODS, INC.

Political Contributions

*International Brotherhood of Teamsters

FOOT LOCKER, INC.

Net-Zero Climate Targets

*As You Sow Foundation

GENERAL DYNAMICS CORPORATION

Human Rights Due Diligence

*Franciscan Sisters of Allegany, NY

GILEAD SCIENCES, INC.

Anticompetitive Practices

*Mercy Investment Services, Adrian Dominican Sisters

GILEAD SCIENCES, INC.

Independent Board Chair

*United Church Funds

GILEAD SCIENCES, INC.

Lobbying Alignment

*Maryknoll Sisters, Grand Rapids Dominicans, Missionary Oblates of Mary Immaculate, Sisters of the Order of St. Benedict, Rock Island

GOLDMAN SACHS GROUP INC.

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

GOLDMAN SACHS GROUP INC.

Financing Consistent with IEA Net-Zero 2050 Scenario

*Sierra Club Foundation

GOLDMAN SACHS GROUP INC.

Mandatory Arbitration

*Nathan Cummings Foundation

GOLDMAN SACHS GROUP INC.

Racial Equity Audit

*Service Employees International Union (SEIU)

GREEN DOT CORPORATION

Sustainability Reporting

*Boston Trust Walden

HASBRO, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

HCA-THE HEATHCARE COMPANY

Net-Zero Climate Targets

*As You Sow Foundation

HEALTHPEAK PROPERTIES INC.

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

HELIOS TECHNOLOGIES

Disclose Interim and Long-Term GHG Reduction Targets - Scopes 1-3

*As You Sow Foundation

HERSHEY COMPANY

End Child Labor in Cocoa Production

*American Baptist Home Mission Societies, Congregation of the Sisters of the Holy Cross, Indiana, Friends Fiduciary Corporation, Missionary Oblates of Mary Immaculate, Sisters of Providence, Mother Joseph Province, Sisters of the Humility of Mary, OH

HOME DEPOT, INC.

Adopt Paid Sick Leave Policy

*Zevin Asset Management, Everence, Missionary Oblates of Mary Immaculate

HOME DEPOT, INC.

Gender and Racial Pay Gap

*Arjuna Capital

HOME DEPOT, INC.

Racial Equity Audit

*Service Employees International Union (SEIU)

HOME DEPOT, INC.

Report on Steps Taken to Foster Greater Racial Equity on the Board

*NorthStar Asset Management

HONEYWELL INTERNATIONAL INC.

Environmental and Social Risk

*Franciscan Sisters of Allegany, NY

HONEYWELL INTERNATIONAL INC.

Paris-Aligned Climate Lobbying

*Proxy Impact

HORMEL FOODS CORP.

Public Health Costs of Antimicrobial Resistance

*The Shareholder Commons

IDACORP

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

*Proxy Impact

ILLUMINA

Right of Shareholders to Call Special Meetings

*Corporate Governance

IMPINJ, INC.

Shareholder Proxy Access

*Corporate Governance

INTEL CORPORATION

Report on Whether Company Policies Reinforce Racism in Company Culture

*NorthStar Asset Management

INTERCONTINENTAL EXCHANGE

Set Diversity Targets

*Trillium Asset Management

INTERNATIONAL BUSINESS MACHINES CORP. (IBM)

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

INTERNATIONAL BUSINESS MACHINES CORP. (IBM)

Risks Associated with Use of Concealment Clauses

*Clean Yield Asset Management

INVESCO LTD.

Lobbying Expenditures Disclosure

*Corporate Governance

INVESCO LTD.

Racial Equity Audit

*Service Employees International Union (SEIU)

INVITAE CORPORATION

Annual Board Election

*Corporate Governance

IOVANCE THERAPEUTICS INC.

Shareholder Proxy Access

*Corporate Governance

IQVIA HOLDINGS, INC.

Majority Vote

*Corporate Governance

J.B. HUNT TRANSPORT SERVICES, INC.

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Trillium Asset Management

J.P. MORGAN CHASE & CO.

Financing Consistent with IEA Net-Zero 2050 Scenario

*Harrington Investments, *Mercy Investment Services, Adrian Dominican Sisters, American Baptist Home Mission Societies, Benedictine Sisters of Virginia, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Congregation des Soeurs des Saints Noms de Jesus et de Marie, Congregation of St. Joseph, OH, Dana Investment Advisors, Daughters of Charity, Province of St Louise, Grand Rapids Dominicans, Maryknoll Sisters, Northwest Women Religious Investment Trust, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Joseph of Peace, WA, Sisters of the Humility of Mary, OH, Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD, Unitarian Universalist Association, United Church Funds

J.P. MORGAN CHASE & CO.

Mandatory Arbitration

*Nathan Cummings Foundation

J.P. MORGAN CHASE & CO.

Paris-Aligned Climate Lobbying

*Boston Trust Walden

J.P. MORGAN CHASE & CO.

Report on Net-Zero Absolute Emissions Reduction

*Sierra Club Foundation

J.P. MORGAN CHASE & CO.

Strategies to Address Governance Costs

*Corporate Governance

JACK IN THE BOX INC.

Reduce Plastics Use

*Green Century Capital Management

JOHNSON & JOHNSON

Access to COVID-19 Products

*Oxfam America, Benedictine Sisters of Virginia, Bon Secours Mercy Health, CommonSpirit Health, Congregation of Benedictine Sisters, Boerne TX, Daughters of Charity, Province of St. Louise, Everence, PeaceHealth, Sisters of Charity of St. Elizabeth, NJ, Trinity Health

JOHNSON & JOHNSON

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church

JOHNSON & JOHNSON

Racial Equity Audit

*Mercy Investment Services, Adrian Dominican Sisters, Clean Yield Asset Management, Portico Benefit Services (ELCA), Providence St. Joseph Health, Sisters of St. Dominic of Caldwell, NJ

KELLOGG COMPANY

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

KIMBERLY-CLARK CORPORATION

CEO Compensation to Weigh Workforce Pay and Ownership

*Corporate Governance

KINDER MORGAN, INC

Negative Impacts of Facility Adjacent to Communities of Color

*As You Sow Foundation

KRAFT HEINZ COMPANY

Measuring Pesticide Use in Agricultural Supply Chains

*As You Sow Foundation

KRAFT HEINZ COMPANY

Reduce Plastics Use

*As You Sow Foundation

KRAFT HEINZ COMPANY

Water Management Risks

*Mercy Investment Services, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, PeaceHealth, Providence St. Joseph Health

KROGER CO.

Competitive Employment Standards, Including Wages and Benefits

*Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD, Sisters of St. Francis Charitable Trust

KROGER CO.

Executive Compensation Tied to Social Factors

*Zevin Asset Management

KROGER CO.

HFC Refrigerants

*Friends Fiduciary Corporation, Adrian Dominican Sisters

KROGER CO.

Measuring Pesticide Use in Agricultural Supply Chains

*Mercy Investment Services, Bon Secours Mercy Health, CommonSpirit Health, Congregation of St. Joseph, OH

KROGER CO.

Reduce Plastics Use

*As You Sow Foundation

LANTHEUS HOLDINGS INC.

Shareholder Proxy Access

*Corporate Governance

LHC GROUP

Racial Equity Audit

*Trillium Asset Management

LOBLAW COMPANIES LTD.

Uyghur Forced Labour Supply Chain Audit

*B.C. General Employees' Union (BCGEU), School Sisters of Notre Dame Cooperative Investment Fund, Sisters of Charity of St. Elizabeth, NJ

LOCKHEED MARTIN CORPORATION

Paris-Aligned Climate Lobbying

*Mercy Investment Services

LOWES

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Mercy Investment Services

LOWES

Employee Misclassification

*International Brotherhood of Teamsters

LOWES

Gender and Racial Pay Gap

*Arjuna Capital

LULULEMON ATHLETICA INC

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

LYFT, INC.

Lobbying Expenditures Disclosure

*International Brotherhood of Teamsters

MACY'S, INC.

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

*Mercy Investment Services

MARATHON OIL CORP.

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*As You Sow Foundation

MARATHON PETROLEUM

Just Transition

*International Brotherhood of Teamsters

MARRIOTT INTERNATIONAL, INC.

Costs of Low Wages and Inequality

*Corporate Governance

MARRONE BIO INNOVATIONS, INC.

Annual Board Election

*Corporate Governance

MARTIN MARIETTA

Disclose Plans and Policies Aligned with Achieving Racial Equality as Infor

*As You Sow Foundation

MASTERCARD INCORPORATED

Ghost Guns

*State of Rhode Island and Providence Plantations, Mercy Investment Services, Northwest Women Religious Investment Trust, Sisters of St. Joseph of Peace, WA, Sisters of the Humility of Mary, OH, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, The Fonds Durocher, Trinity Health

MAXIMUS, INC.

Racial Equity Audit

*Service Employees International Union (SEIU)

MCDONALD'S CORP.

Public Health Costs of Antimicrobial Resistance

*The Shareholder Commons

MCDONALD'S CORP.

Reduce Plastics Use

*As You Sow Foundation

MERCK & CO., INC.

Access to COVID-19 Products

*Oxfam America

MERCK & CO., INC.

Paris-Aligned Climate Lobbying

*Boston Trust Walden

META (FACEBOOK INC.)

Address Wealth Inequality Through an Ownership Culture

*Corporate Governance

META (FACEBOOK INC.)

Assessment of Metaverse User Risk and Advisory Shareholder Vote

*Arjuna Capital, Storebrand Asset Management, SumOfUs

META (FACEBOOK INC.)

Board Oversight of Harmful User-Generated Content

*As You Sow Foundation

META (FACEBOOK INC.)

Child Sexual Exploitation Online

*Proxy Impact, Adrian Dominican Sisters, CommonSpirit Health, Congregation of St. Joseph, OH, Dana Investment Advisors, Maryknoll Sisters, Providence St. Joseph Health, Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD, Unspecified, We Are Stardust, LP, Wisdom Lotus Foundation, Inc.

META (FACEBOOK INC.)

External Costs of Misinformation

*The Shareholder Commons

META (FACEBOOK INC.)

Give Each Share an Equal Vote

*NorthStar Asset Management, New York State Common Retirement Fund, Rockefeller Asset Management

META (FACEBOOK INC.)

Human Rights Impact Assessment

*Mercy Investment Services, Missionary Oblates of Mary Immaculate, NEI Investments

META (FACEBOOK INC.)

Independent Board Chair

*Illinois State Board of Investment, Grand Rapids Dominicans, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, Vermont Pension Investment Commission

META (FACEBOOK INC.)

Lobbying Expenditures Disclosure

*United Church Funds

META (FACEBOOK INC.)

Paris-Aligned Climate Lobbying

*Zevin Asset Management

META (FACEBOOK INC.)

Performance Review of Audit and Risk Oversight Committee

*Harrington Investments, Park Foundation

META (FACEBOOK INC.)

Risks Associated with Use of Concealment Clauses

*Whistle Stop Capital, LLC

MGE ENERGY, INC.

Scope 3 Greenhouse Gas Targets

*Sinsinawa Dominicans

MIDDLEBY CORPORATION

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Trillium Asset Management

MODERNA

Access to COVID-19 Products

*Legal & General Investment Management

MODERNA

Covid19 Vaccine Technology Transfer

*Oxfam America, Benedictine Sisters of Virginia, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, CommonSpirit Health, Trinity Health

MONSTER BEVERAGE CORP

Net-Zero Climate Targets

*As You Sow Foundation

MOODY'S CORPORATION

Extend the Horizon: Incorporate Climate Future in Credit Rating

*SumOfUs, Corporate Governance

MORGAN STANLEY

Financing Consistent with IEA Net-Zero 2050 Scenario

*Sierra Club Foundation

MORGAN STANLEY

Mandatory Arbitration

*Nathan Cummings Foundation

NANOSTRING TECHNOLOGIES, INC.

Annual Board Election

*Corporate Governance

NCINO INC.

Majority Vote

*Corporate Governance

NCR CORPORATION

Shareholder Ratification of Termination Pay

*Corporate Governance

NETFLIX, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, Corporate Governance

NEXTERA ENERGY

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, Corporate Governance

NEXTERA ENERGY

Paris-Aligned Climate Lobbying

*BNP Paribas Asset Management, Mercy Investment Services, Providence St. Joseph Health, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church

NISOURCE INC.

Disclose Plans and Policies Aligned with Achieving Racial Equality

*As You Sow Foundation

NORTHROP GRUMMAN CORPORATION

Human Rights Impact Assessment

*Investor Advocates for Social Justice, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of St. Dominic of Caldwell, NJ

NRG ENERGY, INC.

Paris-Aligned Climate Lobbying

*Unitarian Universalist Association

NVIDIA

Address Wealth Inequality Through an Ownership Culture

*Corporate Governance

NVIDIA

Customer Due Diligence

*Presbyterian Church (USA), Mercy Investment Services, United Church Funds

O'REILLY AUTOMOTIVE, INC.

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

*As You Sow Foundation

OLD DOMINION FREIGHT LINE

Political Contributions Disclosure

*International Brotherhood of Teamsters

ORACLE SYSTEMS CORP.

Racial Equity Audit

*Service Employees International Union (SEIU)

PAYPAL

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, Corporate Governance, Proxy Impact

PAYPAL

Report on Whether Company Policies Reinforce Racism in Company Culture

*NorthStar Asset Management

PEPSICO, INC.

Public Health Costs of Food and Beverage Products

*The Shareholder Commons

PEPSICO, INC.

Rapidly Reduce Dependence on Single-Use Plastic Packaging

*As You Sow Foundation, Corporate Governance

PETMED EXPRESS

Address Wealth Inequality Through an Ownership Culture

*Corporate Governance

PFIZER, INC.

Access to COVID-19 Products

*Trinity Health, American Baptist Home Mission Societies, Bon Secours Mercy Health, CommonSpirit Health, PeaceHealth, Sisters of Charity of St. Elizabeth, NJ, Sisters of Charity of the Blessed Virgin Mary

PFIZER, INC.

Anticompetitive Practices

*Sisters of St. Francis Charitable Trust

PFIZER, INC.

Covid19 Vaccine Technology Transfer

*Oxfam America, Adrian Dominican Sisters, Mercy Investment Services, Missionary Oblates of Mary Immaculate

PFIZER, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

PFIZER, INC.

Public Health Costs of Protecting Vaccine Technology

*The Shareholder Commons

PFIZER, INC.

Racial Equity Audit

*Service Employees International Union (SEIU)

PHILIP MORRIS INTERNATIONAL

Phase Out Production of Health-Hazardous and Addictive Products

*Trinity Health, CommonSpirit Health, Providence St. Joseph Health, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Dominic of Caldwell, NJ, Sisters of St. Joseph of Carondelet of St. Paul Province

PHILLIPS 66

Shift From from Virgin to Recycled Polymer to Reduce Plastic Pollution

*As You Sow Foundation

PNC FINANCIAL SERVICES GROUP, INC.

Risks of Financing Nuclear Weapons

*Sisters of St. Joseph, Brentwood, Dominican Sisters of Hope, Dominican Sisters of Hope

POST HOLDINGS INC

Report on Increasing Scale, Pace & Rigor of GHG Reductions Efforts - Scopes 1-3

*Franciscan Sisters of Perpetual Adoration

PPG INDUSTRIES, INC.

Political Contributions

*Nathan Cummings Foundation

PPL CORPORATION

Audited Report on Impact of Net-Zero Emissions by 2030 Scenario

*Presbyterian Church (USA), Unitarian Universalist Association

PROLOGIS

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

PROTO LABS INC.

Racial and Gender Board Diversity Report

*Corporate Governance

QUANTA SERVICES, INC.

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

RANGE RESOURCES CORPORATION

Direct Methane Measurement

*Unitarian Universalist Association

REDFIN CORPORATION

Shareholder Proxy Access

*Corporate Governance

REPLIGEN CORPORATION

Address Wealth Inequality Through an Ownership Culture

*Corporate Governance

REPUBLIC SERVICES, INC.

Civil Rights Audit

*International Brotherhood of Teamsters

REPUBLIC SERVICES, INC.

Environmental Justice Audit

*Parnassus Investments

RESTAURANT BRANDS INTERNATIONAL

Reduce Plastics Use

*As You Sow Foundation

ROPER INDUSTRIES, INC.

Political Contributions

*Nathan Cummings Foundation

ROSS STORES, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

ROSS STORES, INC.

Measure & Begin Reducing Supply Chain GHGs

*As You Sow Foundation

ROYAL BANK OF CANADA

No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario

*SumOfUs

S&P GLOBAL

Extend the Horizon: Incorporate Climate Future in Credit Rating

*Corporate Governance

SALESFORCE.COM, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

SALESFORCE.COM, INC.

Lobbying Expenditures Disclosure

*Boston Common Asset Management, LLC

SALESFORCE.COM, INC.

Risks Associated with Use of Concealment Clauses

*Whistle Stop Capital, LLC

SBA COMMUNICATIONS CORPORATION

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Trillium Asset Management, As You Sow Foundation

SEI INVESTMENTS COMPANY

EEO-1 Disclosure

*Boston Trust Walden, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Felician Sisters of North America, Friends Fiduciary Corporation, Sisters of Charity of the Blessed Virgin Mary, Sisters of the Humility of Mary, OH, Unspecified

SKECHERS U.S.A.

Disclose Interim and Long-Term GHG Reduction Targets

*As You Sow Foundation

SNOWFLAKE INC

Majority Vote

*Corporate Governance

SOUTHERN COMPANY

Improve GHG Reduction Targets to Include Scope 3 Emissions

*As You Sow Foundation

SOUTHERN COMPANY

Racial Equity Audit

*Service Employees International Union (SEIU)

SQUARE INC.

Give Each Share an Equal Vote

*NorthStar Asset Management

STANDARD MOTOR PRODUCTS INC.

Disclose Short, Medium & Long-Term GHG Reduction Targets

*As You Sow Foundation

STARBUCKS CORP.

Inclusion of Employee Voices in Board Level Decisions

*Corporate Governance

STATE STREET CORPORATION

Asset Management Policies and Diversified Investors

*Corporate Governance

STERICYCLE INC.

Civil Rights Audit

*International Brotherhood of Teamsters

STERIS PLC

Shareholder Proxy Access

*Corporate Governance

STRYKER CORPORATION

Shareholder Proxy Access

*Corporate Governance

STURM RUGER AND COMPANY, INC.

Human Rights Impact Assessment

*CommonSpirit Health, Adrian Dominican Sisters, Bon Secours Mercy Health, Congregation of St. Joseph, OH, Congregation of the Sisters of the Holy Cross, Indiana, Daughters of Charity, Province of St Louise, Mercy Investment Services, PeaceHealth, School Sisters of Notre Dame Cooperative Investment Fund, Sinsinawa Dominicans, Sisters of Bon Secours USA, Sisters of Providence, Mother Joseph Province, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, Trinity Health

SVB FINANCIAL GROUP

Racial Equity Audit

*Trillium Asset Management

SYNEOS HEALTH

Annual Board Election

*Corporate Governance

TANDEM DIABETES CARE INC

Annual Board Election

*Corporate Governance

TARGET CORP.

Adopt Paid Sick Leave Policy

*Mercy Investment Services, Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise

TARGET CORP.

Gender and Racial Pay Gap - Quantitative Assessment

*Proxy Impact, Arjuna Capital

TELEDOC HEALTH INC

Right of Shareholders to Call Special Meetings

*Corporate Governance

TESLA INC.

Paris-Aligned Climate Lobbying

*Nathan Cummings Foundation

TESLA INC.

Shareholder Proxy Access

*Corporate Governance

THE CHEMOURS COMPANY

Titanium Mining Assessment

*Green Century Capital Management

THE HARTFORD FINANCIAL SERVICES GROUP

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

*As You Sow Foundation

TJX COMPANIES, INC.

Adopt Short, Medium, and Long-Term Science-Based GHG Reduction Targets

*Boston Common Asset Management, LLC

TJX COMPANIES, INC.

Assessing Effectiveness in Preventing Forced/Child/Prison Labor in Supply Chain

*NorthStar Asset Management

TJX COMPANIES, INC.

Employee Misclassification

*International Brotherhood of Teamsters

TORONTO-DOMINION BANK

No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario

*SumOfUs

TRACTOR SUPPLY COMPANY

Costs of Low Wages and Inequality

*Corporate Governance

TRACTOR SUPPLY COMPANY

Disclose Short, Medium & Long-Term GHG Reduction Targets - Scopes 1-3

*Clean Yield Asset Management

TRAVELERS COMPANIES, INC.

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

*As You Sow Foundation

TRAVELERS COMPANIES, INC.

Racial Equity Audit

*Trillium Asset Management

TRAVELERS COMPANIES, INC.

Underwriting Police Insurance

*Arjuna Capital

TRAVELZOO

Shareholder Proxy Access

*Corporate Governance

TWITTER

Human / Civil Rights Expert on Board

*Arjuna Capital

TWITTER

Risks Associated with Use of Concealment Clauses

*Whistle Stop Capital, LLC

TYSON FOODS, INC.

Racial Equity Audit

*American Baptist Home Mission Societies, Adrian Dominican Sisters, Benedictine Sisters of Mount St. Scholastica, CommonSpirit Health, Congregation of St. Joseph, OH, Congregation of the Sisters of St. Joseph of Peace, St. Joseph Province, Daughters of Charity, Province of St. Louise, Franciscan Sisters of Allegany, NY, Mercy Investment Services, Portico Benefit Services (ELCA), Presbyterian Church (USA), Sisters of Bon Secours USA, Sisters of Charity of St. Elizabeth, NJ, Sisters of the Good Shepherd, Trinity Health

UBER TECHNOLOGIES

Lobbying Expenditures Disclosure

*International Brotherhood of Teamsters

UBER TECHNOLOGIES

Paris-Aligned Climate Lobbying

*Unitarian Universalist Association

UNILEVER NV

Report on Long-Term Nutrition and Health Strategy

*ShareAction, ACTIAM, Candriam, Castlefield Investment Partners, CCLA, Greater Manchester Pension Fund, Guy's & St Thomas? Foundation, Jesuits in Britain, Marmot Charitable Trust, Polden Puckham Charitable Foundation, The 1970 Trust, Trinity Health

UNION PACIFIC CORPORATION

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, Corporate Governance

Resolution Leads and Co-Filers

UNION PACIFIC CORPORATION

Paris-Aligned Climate Lobbying

*Boston Trust Walden

UNITED PARCEL SERVICE, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation

UNITED PARCEL SERVICE, INC.

Lobbying Expenditures Disclosure

*Boston Trust Walden, Friends Fiduciary Corporation, Sisters of St. Francis Charitable Trust, Unspecified

UNITED PARCEL SERVICE, INC.

Paris-Aligned Climate Lobbying

*Mercy Investment Services, 444S Foundation, Adrian Dominican Sisters, Benedictine Sisters of Virginia, Community Church of New York, First Parish In Cambridge - Unitarian Universalist, Glenmary Home Missioners, Grand Rapids Dominicans, Lemmon Foundation, Maryknoll Sisters, Max and Anna Levinson Foundation, Missionary Oblates of Mary Immaculate, Needmor Fund, Oneida Nation, Sisters of Notre Dame de Namur-Boston, Sisters of St. Joseph of Boston, Sisters of the Holy Family, CA, Sisters of the Humility of Mary, OH, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, The Swift Foundation, Tides Foundation, United Church Funds, William A. Gee IV 2000 Trust

UNITED PARCEL SERVICE, INC.

Report on Balancing Climate Measures and Financial Returns

*Corporate Governance

UNITEDHEALTH GROUP INC.

Net-Zero Climate Targets

*As You Sow Foundation, Proxy Impact

UNITEDHEALTH GROUP INC.

Paris-Aligned Climate Lobbying

*Boston Trust Walden, Unspecified

UPWORK INC.

Annual Board Election

*Corporate Governance

URBAN OUTFITTERS, INC.

Employee Misclassification

*International Brotherhood of Teamsters

VALERO ENERGY CORPORATION

Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario

*As You Sow Foundation

VALERO ENERGY CORPORATION

Disclose Near & Long-Term GHG Reduction Targets - Scopes 1-3

*Mercy Investment Services, CommonSpirit Health, Congregation of Benedictine Sisters, Boerne TX, Daughters of Charity, Province of St Louise, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, Unitarian Universalist Association

VALERO ENERGY CORPORATION

Racial Equity Audit

*Service Employees International Union (SEIU)

VEEVA SYSTEMS, INC.

Racial and Gender Board Diversity Report

*Corporate Governance

VERACYTE, INC.

Annual Board Election

*Corporate Governance

VERIZON COMMUNICATIONS INC.

Racial Equity Audit

*Zevin Asset Management

VISA INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow Foundation, Proxy Impact

WALGREENS BOOTS ALLIANCE

Political Contributions

*Corporate Governance, Bon Secours Mercy Health, CommonSpirit Health, Grand Rapids Dominicans, Mercy Investment Services, Providence St. Joseph Health, Sisters of Charity of St. Elizabeth, NJ, Sisters of the Humility of Mary, PA, Trinity Health, Unspecified

WALMART STORES, INC.

Lobbying Expenditures Disclosure

*Zevin Asset Management, Nathan Cummings Foundation

WALMART STORES, INC.

Paris-Aligned Climate Lobbying

*School Sisters of Notre Dame Central Pacific Province, CommonSpirit Health, Nordea Asset Management, School Sisters of Notre Dame Cooperative Investment Fund, Unitarian Universalist Association

WALMART STORES, INC.

Starting Pay and Racial Equity

*Franciscan Sisters of Perpetual Adoration, Adrian Dominican Sisters, Congregation of Benedictine Sisters, Boerne TX, Congregation of St. Joseph, OH, Congregation of the Sisters of the Holy Cross, Indiana, Dana Investment Advisors, Daughters of Charity, Province of St Louise, Dominican Sisters of Springfield, Illinois, Everence, Marianist Province of the United States, Mercy Investment Services, Missionary Oblates of Mary Immaculate, PeaceHealth, Providence St. Joseph Health, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of Charity of St. Elizabeth, NJ, Sisters of Charity of the Blessed Virgin Mary, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, Sisters of the Humility of Mary, OH, Trinity Health

WARRIOR MET COAL INC

Majority Vote

*Service Employees International Union (SEIU)

WASTE MANAGEMENT INC.

Civil Rights Audit

*International Brotherhood of Teamsters

WELLS FARGO & COMPANY

Financing Consistent with IEA Net-Zero 2050 Scenario

*Sierra Club Foundation, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Sisters of St. Francis Charitable Trust, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

WELLS FARGO & COMPANY

Racial and Gender Board Diversity Report

*Arjuna Capital

WELLS FARGO & COMPANY

Racial Equity Audit

*Service Employees International Union (SEIU)

WELLS FARGO & COMPANY

Respect for Rights of Indigenous Peoples

*American Baptist Home Mission Societies

WILLIAMS-SONOMA, INC.

Disclose Use of Carbon Credits

*As You Sow Foundation

XPO LOGISTICS

Civil Rights Audit

*International Brotherhood of Teamsters

XPO LOGISTICS

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

YELP INC

Report on Failures in Content Governance

*As You Sow Foundation

YELP INC

Shareholder Proxy Access

*Corporate Governance

YUM! BRANDS, INC.

Public Health Costs of Antimicrobial Resistance

*The Shareholder Commons

ZILLOW GROUP

Disclose Interim and Long-Term GHG Reduction Targets

*As You Sow Foundation, *Boston Common Asset Management, LLC, Corporate Governance

Contact Details for Filers

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513-952-5009; <https://bsmhealth.org/>

Boston Common Asset Management, LLC

200 State Street, 7th Floor
Boston, MA 02109
617-720-5557;
<https://www.bostoncommonasset.com/>

Boston Trust Walden

1 Beacon Street, 33rd Floor
Boston, MA 02108-3116
617-726-7250; <https://www.bostontrustwalden.com/>

California State Teachers' Retirement System (CalSTRS)

100 Waterfront Pl.
West Sacramento, CA 95605

Calvert Research and Management

Suite 400, 1825 Connecticut Avenue, NW
Washington, DC 20009-5727
202-238-2208; <http://www.calvert.com/>

CCLA

Senator House
85 Queen Victoria Street
London, EC4V 4ET (GB)

Christian Brothers Investment Services

777 Third Avenue, 29th Floor
New York, NY 10016
212-503-1930; <https://cbisonline.com/>

Contact Details for Filers

City of Philadelphia Public Employees Retirement System

2 Penn Plaza
Philadelphia, PA 19102

Clean Yield Asset Management

16 Beaver Meadow Road
PO Box 874
Norwich, VT 05055
<https://www.cleanyield.com/>

CommonSpirit Health

198 Inverness Drive West
Englewood, CO 80112
<https://commonspirit.org/>

Community Church of New York

40 East 35th Street
New York, NY 10016

Congregation des Soeurs des Saints Noms de Jesus et de Marie

80, rue Saint-Charles Est
Longueuil, QC J4H 1A9 (CA)
450-651-8104

Congregation of Benedictine Sisters, Boerne TX

P.O. Box 200423
San Antonio, TX 78220
210-348-6704

Congregation of St. Joseph, OH

3430 Rocky River Drive
Cleveland, OH 44111-2997

Congregation of the Sisters of St. Joseph of Peace, St. Joseph Province

Shalom Center, 399 Hudson Terr.
Englewood Cliffs, NJ 07632
201-568-6348

Congregation of the Sisters of the Holy Cross, Indiana

Bertrand Hall - St. Mary's
Notre Dame, IN 46556-5000
574-284-5551

Corporate Governance

9295 Yorkship Court
Elk Grove, CA 95758
<https://www.corpgov.net/>

Dana Investment Advisors

P.O. Box 1067
Brookfield, WI 53008-1067
972-717-2052; <http://www.danainvestment.com/>

Daughters of Charity, Province of St. Louise

4330 Olive Street
St. Louis, MO 63108
314-561-4603; <https://daughtersofcharity.org/>

Domestic and Foreign Missionary Society of the Protestant Episcopal Church

815 Second Avenue
New York, NY 10017

Dominican Sisters of Hope

Finance Office
Newburgh, NY 12550-3498
845-561-6520; <http://www.ophope.org>

Dominican Sisters of Springfield, Illinois

1237 West Monroe Street
Springfield, IL 62704-8169
217-787-0481

Everence

P.O. Box 483
Goshen, IN 46527-0483
574-533-9511

First Parish In Cambridge - Unitarian Universalist

3 Church Street
Cambridge, MA 02138
617-876-7772

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Generaal Vetterstraat 15
Amsterdam, 1059 BW (NL)

Fonds Durocher

80 Rue Saint-Charles E
Longueuil, QC J4H1A9 (CA)

Franciscan Sisters of Allegany, NY

115 East Main Street
St. Bonaventure, NY 14706

Franciscan Sisters of Perpetual Adoration

912 Market Street
LaCrosse, WI 54601



Contact Details for Filers

Friends Fiduciary Corporation

1700 Market Street, Suite 1535
Philadelphia, PA 19103
215-241-7272 x 100; <http://www.friendsfiduciary.org/>

Glenmary Home Missioners

P.O. Box 465618
Cincinnati, OH 45246-5618

Grand Rapids Dominicans

2025 E. Fulton Street
Grand Rapids, MI 49503-3895

Greater Manchester Pension Fund

Guardsman Tony Downes House
Droylsden, M43 6SF (GB)
0161 301 7000

Green Century Capital Management

114 State Street, Suite 200
Boston, MA 02109
617-482-0800; <https://www.greencentury.com/>

Harrington Investments

1001 2nd Street, Suite 325
Napa, CA 94559
707-252-6166

Illinois State Board of Investment

180 N. La Salle Street Suite 2
Chicago, IL 60601
312-793-5718

International Brotherhood of Teamsters

25 Louisiana Avenue, NW
Washington, DC 20001

Investor Advocates for Social Justice

40 South Fullerton Avenue
Montclair, NJ 07042
973-509-8800

Investors for Paris Compliance

4335 Riverside Road
Duncan, BC V9L 6M8 (CA)

Jesuits in Britain

114 Mount Street
Mayfair, London, W1K 3AH (GB)

Legal & General Investment Management

71 South Wacker Drive Suite 800
Chicago, IL 60606
312-585-0300; <https://www.lgima.com/>

Lemmon Foundation

15510 Sunset Boulevard
Pacific Palisades, CA 90272

Marianist Province of the United States

Marianist Provincial Offices
St. Louis, MO 63108-2301
215-634-4116

Maryknoll Sisters

P.O. Box 310
Maryknoll, NY 10545
914-941-7575

Max and Anna Levinson Foundation

P.O. Box 6309
Sante Fe, NM 87502-6309
505-995-8802

Mercy Investment Services

2039 North Geyer Road
St. Louis, MO 63131
570-366-1809;
<https://www.mercyinvestmentservices.org/>

Missionary Oblates of Mary Immaculate

391 Michigan Avenue, NE
Washington, DC 20017-1516
202-483-0444

Nathan Cummings Foundation

475 10th Avenue, 14th Floor
New York, NY 10018-9715
212-787-7300

Needmor Fund

539 East Front Street
Perrysburg, OH 43551

NEI Investments

Suite 1200-151 Yonge Street
Toronto, ON M5C 2W7 (CA)
416-594-6633

New York State Common Retirement Fund

Alfred E. Smith Office Bldg.
Albany, NY 12236

Contact Details for Filers

Newground Social Investment

111 Queen Anne Avenue North, Suite 500
Seattle, WA 98109-4955
206-522-1944

Nia Investments

4900 Shattuck Avenue #3648
Oakland, CA 94609

Nordea Asset Management

562, Rue de Neudorf
Luxembourg, 2220 (LU)

NorthStar Asset Management

P.O. Box 301840
Boston, MA 02130
<https://northstarasset.com/>

Northwest Women Religious Investment Trust

P.O. Box 248
Bellevue, WA 98009

Oneida Nation

P.O. Box 365
Oneida, WI 54155

Open MIC

P.O. Box 29907
San Francisco, CA 94129-0907

Oxfam America

226 Causeway Street
Boston, MA 02114-2206
617-482-1211; <http://www.oxfamamerica.org>

Park Foundation

140 Seneca Way, Suite 100
Ithaca, NY 14850-4396
607-272-9124; www.parkfoundation.org

Parnassus Investments

1 Market Plaza
Stewart Tower, Suite 1600
San Francisco, CA 94105

PeaceHealth

1115 SE 164th Avenue
Vancouver, WA 98683
360-729-1000

Pension Boards, United Church of Christ

475 Riverside Drive
New York, NY 10115
646-919-0819

Portico Benefit Services (ELCA)

800 Marquette Avenue
Minneapolis, MN 55402
800-352-2876

Presbyterian Church (A)

100 Witherspoon Street, Rm 3046
Louisville, KY 40202-1396
502-569-5809

Providence St. Joseph Health

Treasury Services & Investments,
1801 Lind Avenue SE
Renton, WA 98057-9016
425-525-5452

Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

1015 North 9th Street
Milwaukee, WI 53233-1411
414-271-0135 x 15

Proxy Impact

michael@proxyimpact.com
510-215-2222

Riverwater Partners, LLC

1433 N. Water Street
Milwaukee, WI 53202

Rockefeller Asset Management

30 Rockefeller Plaza
New York, NY 10112
212-649-5846

School Sisters of Notre Dame Central Pacific Province

320 East Ripa Avenue
St. Louis, MO 63125
314-561-4100; <https://www.ssndcentralpacific.org/>

School Sisters of Notre Dame Cooperative Investment Fund

320 East Ripa Avenue
St. Louis, MO 63125-2835
314-633-7097

Contact Details for Filers

Service Employees International Union (SEIU)

1800 Massachusetts Avenue, NW
Washington, DC 20036
312-206-6599

ShareAction

16 Crucifix Lane
London, SE1 3JW (GB)
+44(0)20 7403 7800; <https://shareaction.org/>

Sierra Club Foundation

2101 Webster Street
Oakland, CA 94612-3050
<https://www.sierraclubfoundation.org/>

Sinsinawa Dominicans

Office of Peace and Justice
816 Marengo Avenue, 3rd Floor
Forest Park, IL 60130
608-748-4411

Sisters of Bon Secours

1525 Marriottsville Road
Marriottsville, MD 21104
410-442-1333

Sisters of Charity of St. Elizabeth, NJ

2 Convent Road
Convent Station, NJ 07961
973-290-5402

Sisters of Charity of the Blessed Virgin Mary

205 West Monroe Street
Chicago, IL 60606

Sisters of Notre Dame de Namur-Boston

85 Ocean Street
Dorchester, MA 02124
617-288-1020

Sisters of Providence, Mother Joseph Province

506 Second Avenue, Ste. 1200
Seattle, WA 98104-2329

Sisters of St. Dominic of Caldwell, NJ

1 Ryerson Avenue
Caldwell, NJ 07006-6109
973-403-3331, ext. 16; <http://caldwellop.org/>

Sisters of St. Francis Charitable Trust

3390 Windsor Avenue
Dubuque, IA 52001
563-583-9786

Sisters of St. Joseph (Boston)

637 Cambridge Street
Brighton, MA 02135

Sisters of St. Joseph Chestnut Hill Philadelphia

9701 Germantown Avenue
Philadelphia, PA 19118-2693

Sisters of St. Joseph of Carondelet of St. Paul Province

520 Warwick Street
St Paul, MN 55116

Sisters of St. Joseph of Orange

480 South Batavia
Orange, CA 92668
714-633-8121

Sisters of St. Joseph of Peace, WA

P.O. Box 248
Bellevue, WA 98009

Sisters of St. Joseph, Brentwood

St. Joseph's
Brentwood, NY 11717

Sisters of St. Mary of Oregon

4440 SW 148th Avenue
Beaverton, OR 97007

Sisters of the Good Shepherd

82-31 Doncaster Place
Jamaica, NY 11432
718-278-1155

Sisters of the Holy Family, CA

159 Washington Blvd.
Fremont, CA 94539
510-624-4500

Sisters of the Holy Names of Jesus and Mary, Ontario Province

P.O. Box 398
Marylhurst, OR 97036
503-675-7100; <https://www.snjmusontario.org/>

Sisters of the Humility of Mary, OH

2218 West Blvd.
Cleveland, OH 44102
216-961-3169

Contact Details for Filers

Sisters of the Humility of Mary, PA

P.O. Box 313
Villa Maria, PA 16155
724-964-8920, ext. 33087

Sisters of the Order of St. Benedict, Rock Island

2200 88th Ave W
Rock Island, IL 61201

Sisters of the Presentation of the Blessed Virgin

Mary of Aberdeen, SD

1500 North 2nd Street
Aberdeen, SD 57401-1238
605-229-8346; www.presentationisters.org

State of Rhode Island and Providence Plantations

Office of the General Treasure
Providence, RI 02903

Storebrand Asset Management

Professor Kohts vei 9
Lysaker, 1366 (NO)

SumOfUs

P.O. Box 1128
New York, NY 10156

Swift Foundation

7 Avenida Vista Grande Suite B7, PMB 446
Santa Fe, NM 87508

The 1970 Trust

12 St Catherine Street Cupar
Fife, KY15 4HN (GB)

The Shareholder Commons

P.O. Box 7545
Wilmington, DE 19803
610-659-6299; <https://theshareholdercommons.com/>

Tides Foundation

c/o Boston Trust Walden, One Beacon Street,
Boston, MA 02108

Trillium Asset Management

Two Financial Center
60 South Street, Suite 1100
Boston, MA 02111-2855
<https://trilliuminvest.com/>

Trinity Health

20555 Victor Parkway
Livonia, MI 48152-7006
734-343-0824

UAW Retiree Medical Benefits Trust

110 Miller Avenue, Suite 100
Ann Arbor, MI 48104-1305
734-887-4967

Unitarian Universalist Association

24 Farnsworth Street, 3rd Floor
Boston, MA 02210-1409
617-948-4305

United Church Funds

475 Riverside Drive, Suite 1020
New York, NY 10115
<https://ucfunds.org/>

Vermont Pension Investment Commission

Vermont State Treasurer's Office
Montpelier, VT 05609

We Are Stardust, LP

P.O. Box 540205
Houston, TX 77254-0205
713-526-6530; <http://weareallstardust.com/>

Wespath Benefits and Investments

1901 Chestnut Avenue
Glenview, IL 60025
847-866-4325; <https://www.wespath.org/>

Whistle Stop Capital, LLC

880 Portola Avenue
Alameda, CA 94501-3956
978-304-2234; <https://whistlestop.capital/>

William A. Gee IV 2000 Trust

c/o Walden Asset Management, One Beacon Street
Boston, MA 02108

Wisdom Lotus Foundation, Inc.

5 Long Meadow Road
Lincoln, MA 01773
<https://www.wisdomlotusfoundation.org/>

Zevin Asset Management

11 Beacon Street, Suite 1125
Boston, MA 02108-3018
617-742-6666 ext 308



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