CATALYZING CORPORATE CHANGE
2023 PROXY SEASON Recap

A REVIEW OF ICCR’S 2023 PROXY SEASON

Throughout the 2023 proxy season, our members continued to make the case that management of environmental and social risks, as well as strong corporate governance practices, significantly improves long-term corporate value to the benefit of all stakeholders. They filed 454 shareholder proposals requesting information and suggesting changes on a range of challenges including the climate crisis, worker rights, health equity, equitable global supply chains, and corporate lobbying and political spending among others. This proxy season, ICCR members achieved 122 agreements on those proposals and scored multiple majority votes. In the pages that follow you’ll read how some of those 454 resolutions fared.

2023, BY THE NUMBERS

For the third year in a row, resolutions addressing the climate crisis and racial justice/DEI were the most numerous, with 123 and 99 proposals respectively. Climate-focused filings held steady versus a year ago, and racial justice/DEI proposals saw a modest decrease (99 vs 112 1YA). 56% of all resolutions went to a vote, and 27% were withdrawn for agreement. We once again won the majority of our SEC no action challenges with only 11 omissions.

2023 CORPORATE COMMITMENTS BY ISSUE

When shareholders file a resolution, companies often reach out to discuss the proposal to negotiate a withdrawal. If the company commits to implementing the proposal’s main requests, the proponents will withdraw it. Every year ICCR members negotiate over one hundred of these agreements. This year they have already reached agreements for 122 proposals, 27% of all the proposals they filed this season. The majority of these centered on racial justice/DEI (40) and climate issues (37).
Resolutions that make it onto corporate proxy ballots go on to a vote of all shareholders at corporate annual general meetings (AGMs). Votes in favor of resolutions garnering over 25% – especially those winning the support of a majority of shareholders – are very successful in focusing management and catalyzing change. Seven proposals this year have won majority support.

### 2023 RESOLUTIONS WINNING MAJORITY SUPPORT

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>RESOLUTION NAME</th>
<th>LEAD FILER</th>
<th>VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cenovus</td>
<td>Paris-Aligned Climate Lobbying</td>
<td>Investors for Paris Compliance</td>
<td>99.0%</td>
</tr>
<tr>
<td>Coterra Energy</td>
<td>Direct Measurement of Methane Emissions</td>
<td>Vermont Pension Investment Commission*</td>
<td>74.4%</td>
</tr>
<tr>
<td>Dollar General</td>
<td>Workplace Health and Safety Audit</td>
<td>Domini Impact Investments</td>
<td>67.7%</td>
</tr>
<tr>
<td>Corporation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expeditors International</td>
<td>Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data</td>
<td>Clean Yield Asset Management</td>
<td>57.3%</td>
</tr>
<tr>
<td>Paycom Software</td>
<td>Transition to Elect Directors by Majority Vote</td>
<td>James McRitchie</td>
<td>56.7%</td>
</tr>
<tr>
<td>Inc</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starbucks Corp.</td>
<td>Respect for Freedom of Association and Collective Bargaining</td>
<td>New York City Pension Funds*</td>
<td>52.03%</td>
</tr>
<tr>
<td>McDonald’s Corp.</td>
<td>Lobbying Expenditures Disclosure</td>
<td>SOC Investment Group</td>
<td>50.3%</td>
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</tbody>
</table>

*Lead filer is an ICCR partner, but not a member

### 2023 PROXY SEASON BREAKTHROUGHS

- **Cenovus**
  - LEAD FILER: Investors for Paris Compliance
  - VOTE: 99%
  - The highest-ever vote won by a Paris-aligned lobbying proposal

- **Dollar General**
  - LEAD FILER: Domini Impact Investments
  - VOTE: 67%
  - The highest-ever vote on a worker health and safety audit proposal

- **Expeditors International**
  - LEAD FILER: Clean Yield Asset Management
  - VOTE: 57%
  - One of the highest votes for a proposal calling for greater disclosure of material corporate DEI data

### PERCENT OF RESOLUTIONS FILED THAT WERE WITHDRAWN FOR AGREEMENT

- **Greater Disclosure of Material DEI Data**: 63%
- **Climate Transition Plan & GHG Goals**: 51%
NEW RESOLUTIONS THIS YEAR

- **Adopt Coal Phase-Out Policy:** To address the profound societal, health, and business risks associated with climate change.

- **Allow Time to Vote:** To ensure sufficient time for voting on shareholder proposals at AGMs which has been reduced following a shift to hybrid/virtual-only meetings.

- **Assess Allegations of Biased Operations in India:** To understand how social media platforms have been used by right-wing Indian political parties to foment ethnic and religious conflict.

- **Asset Management Policies and Diversified Investors:** To reduce conflict of interest between asset management companies and their clients, whose investments could benefit from reductions in externalized social and environmental costs.

- **Company Policy Compared to External Indigenous-led Standards of Practice:** To align company policies, plans, and practices regarding Indigenous reconciliation with external Indigenous-led standards.

- **Eliminating Discrimination through Inclusive Hiring:** To analyze whether company hiring practices related to people with arrest/incarceration records are aligned with their publicly stated DEI goals.

- **Ensuring People in Conflict Zones Do Not Suffer Discriminatory Exclusion:** To establish company policies that ensure that people in conflict zones are not denied access to vital financial services.

- **Fair Director Elections:** To ensure that companies do not amend their bylaws to restrict shareholders’ right to nominate directors through proxy contests.

- **Human Rights and Material Risks Related to the Russian Invasion of Ukraine:** To determine whether customer use of a company’s products or services in the Ukraine invasion is linked to violations of international law.

- **Impact of Asset Transfers on Disclosed GHG Emissions:** To understand a company’s true exposure to climate risks after it divests emissions-generating assets.

- **Patents and Access:** To understand how pharma company patent strategies (i.e. “patent thickets”) impact consumer access to medicine.

- **Pilot Fair Food Program:** To address forced labor in the company’s tomato supply chain.

- **Report on Driver Health and Safety:** To ensure ride-hail companies provide adequate workplace protections for their drivers.

- **Report on Guyana Oil Spill Economic, Human, and Environmental Impacts:** To evaluate the economic, human, and environmental impacts of a worst-case oil spill from company operations offshore of Guyana.

- **Transition Plan to Address Abuse of Uyghurs:** To cease supply chain activities involving labor from the Uyghur region, including labor transfers of workers from the Uyghur region to other areas of China.

- **Workplace Safety Policy Assessment - Gun Violence:** To prevent gun violence at high-risk workplaces such as Walmart.

COMPANIES RECEIVING THE MOST ICCR MEMBER RESOLUTIONS IN 2023

<table>
<thead>
<tr>
<th>Company</th>
<th>Resolutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>17</td>
</tr>
<tr>
<td>Alphabet</td>
<td>11</td>
</tr>
<tr>
<td>Meta (Facebook)</td>
<td>10</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>9</td>
</tr>
<tr>
<td>Chevron</td>
<td>9</td>
</tr>
</tbody>
</table>

2023 RESOLUTIONS FILED BY INDUSTRY

<table>
<thead>
<tr>
<th>Industry</th>
<th>Resolutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>41</td>
</tr>
<tr>
<td>Banks</td>
<td>34</td>
</tr>
<tr>
<td>Hotels &amp; Restaurants</td>
<td>27</td>
</tr>
<tr>
<td>Food &amp; Staples</td>
<td>23</td>
</tr>
<tr>
<td>Interactive Media*</td>
<td>21</td>
</tr>
</tbody>
</table>

*The Interactive Media category includes Alphabet and Meta (Facebook)*
### CLIMATE AGREEMENTS

**XPO:** Agreed to disclose short-, medium-, and long-term sustainability goals that will allow us to achieve carbon neutrality by 2050 (Mercy Investments)

**Nucor:** Committed to advocate within the Global Steel Climate Council for a standard that requires the adoption of near- and long-term 1.5°C-aligned science-based GHG reduction targets and a disallowance of carbon offsets to achieve the target (Friends Fiduciary)

**Norfolk Southern:** Agreed to publish a credible, detailed climate transition plan and will publicly commit to re-evaluating its near-term science-based targets to align with 1.5 degrees through the Science-Based Targets Initiative (Friends Fiduciary)

**ADM:** Agreed to help protect South American ecosystems critical to the fight against climate change by conducting a feasibility study to determine where it can eliminate native vegetation conversion from its soy and corn supply chains (Green Century Funds)

**Ameren:** Committed to publish a natural gas price volatility analysis for its Missouri territory along with modeling and analysis for various clean energy scenarios (Sierra Club Funds)

**Chewy:** Pledged to set near and long-term science-based targets, including scope 1-3, and release a climate transition plan that details time-bound, specific, action-oriented plans to reduce GHG emissions in its operations (Mercy Investments)

**UPS:** Will issue a report on the alignment of its direct and indirect lobbying activities with the goals of the Paris Agreement (Mercy Investments)

**Morgan Stanley:** Agreed to enhance its transition plan disclosures and provide further insight on how it will meet its Net Zero commitment (As You Sow)

### HUMAN RIGHTS/WORKER RIGHTS AGREEMENTS

**Maple Leaf Foods:** Agreed to conduct a third-party human rights impact assessment of migrant workers’ rights in accordance with international human rights law, incorporating feedback from relevant rights holders and stakeholders (SHARE)

**Keysight:** Committed to update its Human Rights and Labor Policy to address the human rights impacts of its products and services used in conflict-affected and high-risk areas (Presbyterian Church (USA))

**Norfolk Southern:** Became first major North American freight railroad to give paid sick time to its union workers (with most receiving up to 7 days). (Impact Shares)

**Xylem:** Agreed to develop a fair chance employment program for formerly incarcerated individuals (NorthStar Asset Mgt)

### RACIAL JUSTICE/DEI AGREEMENTS

**Elevance:** Agreed to conduct a health equity assessment that will use a civil rights lens inclusive of BIPOC and LGBTQ+ communities (Trillium Asset Mgt.)

**BlackRock, Netflix and NextEra:** Agreed to disclose quantitative median gender pay gaps for their global and US populations (Jim McRitchie)

**Amalgamated Financial, Thermo Fisher Scientific, and Visa:** Agreed to begin reporting racial and gender pay gaps (Arjuna Capital)

**Alphabet:** Conducted a racial equity audit (Nathan Cummings Foundation)

**Salesforce:** Committed to publish a racial equity stakeholder impact report (Tulipshare)

### GOVERNANCE AGREEMENTS

**Lantheus Holdings:** Agreed to implement majority voting in uncontested director elections (Jim McRitchie)

**Axon, Discover, Illumina, NVIDIA, Redfin, Repligen, Salesforce, Tractor Supply, Upwork:** Made significant commitments to improving the fairness of contested board elections (Jim McRitchie)

### ENVIRONMENTAL HEALTH AGREEMENTS

**Essential Utilities:** Agreed to make the results of toxic chemicals (PFAS) testing of all the company’s wells and water systems available to its customers and work toward achieving non-detectable levels in all water systems. (Sisters of St. Francis of Philadelphia)

**Post Holdings:** Agreed to engage its suppliers on their use of pesticides harmful to human health and the environment (As You Sow)

### LOBBYING & POLITICAL SPENDING AGREEMENTS

**Chipotle:** Agreed to annually disclose its federal and state level direct payments, including referendum expenditures, and all dues and other payments made to trade associations and social welfare groups, at the federal, state, and local level (SOC Investment Group)

**AT&T:** Committed to annually report the congruency of votes made by recipients of its political contributions and employee political action committees with its identified political and ESG Priorities (As You Sow)

**EOG:** Agreed to revise its Political Activities and Trade Associations policy and increase its trade association membership disclosure (Presbyterian Church (USA))

**Charles River:** Committed to publish its first political contributions policy (Jim McRitchie)

### ENVIRONMENT AGREEMENTS

**Albertson’s, Bank of New York Mellon, Baxter, Biogen, Charter Communications, eBay, Electronic Arts, Ford, Honeywell, Philip Morris, Simon Property Group, Target, Texas Instruments, Thermo Fisher Scientific, T-Mobile USA:** Agreed to greater disclosure of material corporate DEI and inclusion data (As You Sow)

**Disney:** Agreed to greater disclosure of material corporate DEI and inclusion data (Nathan Cummings Foundation)

**Estee Lauder and Victoria’s Secret:** Agreed to greater disclosure of material corporate DEI and inclusion data (Amalgamated Bank/As You Sow)

**Southern Company:** Agreed to greater disclosure of material corporate DEI and inclusion data (Andrew Behar)

### 2023 FEATURED WITHDRAWALS FOR CORPORATE COMMITMENTS

*Organizations listed in parentheses are lead filers.*