• 2017 Investor Impacts •

In the first half of 2017, ICCR’s members have changed corporate behavior in 63 ways.

Each year, ICCR’s members file shareholder resolutions on environmental, social and governance issues. Our resolutions frequently open up frank dialogue with those working in the C suite, and have proven essential in changing their minds, and the strategic directions of their corporations. Most corporations have a wide range of constituencies, from consumers, local communities and NGOs, to investors. But often, it’s the shareholder resolution that plays a key, catalytic role in stimulating change. In the past four months, we have convinced more than 60 publicly-traded companies to improve performance across eight broad areas:

**WATER**

**Water Utilities Commit to the Human Right to Water**
SRI firm NorthStar Asset Management moved two California-based water utilities, California Water Service Group and American States Water, to adopt policies confirming a commitment to support the human right to water (HRTW). Sparked by shareholder proposals filed last fall, these two HRTW policies are the first such policies at California water utilities.

**Respecting Communities & Their Right to Water -- The Dakota Access Pipeline**
The Presbyterian Church convinced Phillips 66 -- which has a significant investment in the DAPL project -- to work on strengthening its human rights and Indigenous rights policies, a necessary part of respecting the Standing Rock Sioux tribe’s human right to water. As You Sow persuaded Morgan Stanley and Goldman Sachs -- which provide capital to the oil, gas and mining sectors and provided financing for the DAPL project -- to review their due diligence processes for financing projects with potential community impacts.

**SUSTAINABLE FOOD**

**Hormel Takes on Water Risk & Adopts a Sustainable Agriculture Policy**
The American Baptist Home Mission Society led a group of investors in encouraging meat company Hormel to assess its water risks, improve its water management practices & adopt a sustainable agriculture policy that applies to its direct suppliers, industrial farming operations, and feed grain growers.

**Fast Food Restaurants Commit to Responsible Antibiotics-Use Policies**
Green Century Fund and As You Sow spearheaded a shareholder coalition that secured commitments from Jack in the Box, Restaurant Brands (Burger King), Starbucks, and KFC to phase out medically important antibiotics in their chicken supply chains.

**Kellogg's Commits to Pesticide Safety**
An As You Sow and Maryknoll Sisters resolution led Kellogg to investigate pre-harvest glyphosate use in its supply chain, and the company’s subsequent commitment to work with investors to develop quantitative metrics for its sustainable agriculture program.

**Big Box Retailers Reduce their Food Waste to Fight Hunger, Cut GHG Emissions**
Trillium Asset Management filed shareholder resolutions to press Costco and Target into beginning to seriously address their food waste disclosure, the first step on the road to better food waste management and prevention.

**Tyson Invests in Sustainable Protein, Lowering its GHG Footprint**
Responding to increasing consumer preference for plant-based protein which has a lower GHG footprint, and in response to pressure from Green Century Capital Management, Tyson foods has made a substantial investment in the popular plant-based protein producer, Beyond Meat.
Nestle Moves to Protect Children’s Health with More Nutritious Marketing.

After a substantive dialogue, Mercy Investment Services persuaded Nestle to add ice-cream and sugar-sweetened waters to the list of products that it will not market directly to children. Further, Nestlé’s Marketing to Children Policy will now cover all communication contact points, and extend to point of sale and include restrictions regarding the use of licensed characters, premiums and celebrity endorsements primarily appealing to children. This new policy comes in addition to the company’s reformulation efforts on reduction of sugar, salt, and saturated fatty acids, and increase of important nutrients.

Oil & Gas Companies Act on Climate Change

After a multi-year campaign, the Capuchin Franciscans this year convinced oil & gas giant Exxon Mobil to add climate change expert Dr. Susan Avery to its board of directors. Trillium Asset Management, Miller/Howard Investments, and Mercy Investment Services persuaded EOG to commit to publicly disclose a methane emissions percentage and other methane emissions metrics that will allow investors to better understand the company’s methane emissions – and will motivate EOG to reduce its emissions. As You Sow reached agreements with Sempra Energy and Washington Gas to report publicly on methane leak tracking and mitigation.

As You Sow also persuaded Anadarko Petroleum to implement analysis and disclosure regarding the climate change risk its business faces, and pushed Xcel Energy to begin assessing its financial risk of stranded carbon assets.

Making Progress on Pay Equity for Working Women

Pax World Management moved five companies in the financial services, technology and telecom sectors -- Goldman Sachs, BNY Mellon, Verizon, AT&T and Qualcomm -- to address the gender ‘pay gap’ by enhance their pay equity disclosure practices.

Committing to Board and Workforce Diversity

NorthStar Asset Management convinced eight companies -- Badger Meter, CVS Health, Costco, IDEX, IBM, Johnson & Johnson, A.O. Smith Corporation, and Whole Foods -- to step up their efforts to diversify their senior leadership and boards of directors, and set time-bound benchmarks to measure progress.

Trillium Asset Management persuaded an additional four companies -- F5 Networks, Fifth Third Bancorp, Jones Lang LaSalle and Visa -- to commit to expanding their workplace diversity by moving towards setting targets.

Expanding LGBT Workplace Protections

Through the filing of shareholder resolutions, Trillium Asset Management raised enough pressure to convince Dentsply, EOG and Verisk Analytics to update their workplace non-discrimination policies to prohibit discrimination based on sexual orientation and gender identity and expression. NorthStar Asset Management also persuaded Johnson Outdoors to similarly prohibit workplace LGBT discrimination.

Responsible Water Use in Fracking Operations

A Miller/Howard Investments resolution led Pioneer Natural Resources to disclose the intensity of its water use for each of its hydraulic fracturing plays. As You Sow moved Whiting Petroleum to take steps to minimize the adverse impacts of its hydraulic fracturing operations.

Dunkin Donuts Gets Serious about Recycling

As You Sow reached an agreement with Dunkin Donuts which commits the company to assessing its recycling programs, reporting to shareholders on progress, and working with investors on a potential pilot project for reusable containers.

Seven Companies Commit to Sustainability Reporting

Seven companies -- Ameriprise Financial, A.O. Smith, Chipotle, Emerson, Nordson, Oceaneering and Torchmark -- agreed to improve their ESG performance by tracking and reporting on issues of environmental and social sustainability, thereby enhancing shareholder value. Five investors -- Friends Fiduciary, Domini Impact Investments, Mercy Investment Services, Trillium Asset Management and Walden Asset Management -- negotiated the wins.
Clawing Back Executive Pay for Poor Performance on Drug Pricing
After public outrage over its aggressive drug price increases, and after receiving a resolution filed by members of ICCR’s domestic health care team Valeant Pharmaceuticals agreed to “claw back” some of its executive incentive pay, and include provisions for misconduct beyond what is currently mandated in Dodd Frank.

Splitting the Roles of Chair/CEO for Better Checks and Balances
In a moment of reckoning, the Needmor Fund pressed Wells Fargo to separate its CEO and Chair positions following a series of high-profile banking scandals. The bank complied by amending its bylaws, helping bring greater accountability and independence to the two roles.

Disclosing Lobbying Expenditures to Enhance Accountability
A group of investors led by the Daughters of Charity - Province of St. Louise, Mercy Investment Services and the Christopher Reynolds Foundation pushed Johnson & Johnson, Pfizer and Walgreens Boots Alliance to increase their disclosure of how much they spend each year on lobbying, shining more light on the influence of “dark money” in the U.S. political process.

Increasing Oversight of Corporate Political Spending
Sparked by resolutions filed by As You Sow and Trillium Asset Management, PNC Financial Services and Pinnacle West made progress by agreeing to publicly disclose their corporate political spending on candidates and political parties, and to increase the degree of board oversight.

Aligning Proxy Voting Policies and Practices
The Center for Community Change, Trillium Asset Management and Walden Asset Management challenged the proxy voting policy records of large portfolio managers on ESG issues like climate change by filing resolutions requesting a review of their proxy voting. These firms have voted against virtually every social and environmental resolution in recent years. This pressure led BlackRock and JPMorgan Chase to publish new positions on the urgency of addressing climate risk, opening the door to vote in favor of specific climate-related shareholder resolutions, and on workplace LGBT inclusion.

Keeping the Proxy Voting Process Democratic
Investor Voice pressed Simon Property Group via a shareholder resolution to adopt a simple-majority formula for tabulating the results of votes on shareholder proposals, and the company agreed, ensuring that investors’ voices are heard and respected in major management decisions. In a dialogue with Alexion Pharmaceuticals, Investor Voice used the potentiality of filing a resolution as leverage to convince the company to change its voting policies to adopt a simple-majority standard.