

ICCR's 2024 Proxy Resolutions & Voting Guide



Welcome, our webinar will be getting underway shortly.



Welcome + Housekeeping

- Contact for further questions:
 - Susana McDermott (smcdermott@iccr.org)
 - Julie Wokaty (jwokaty@iccr.org)
- WWW.ICCR.ORG

AGENDA



- **An update on attacks on shareholder rights:** Josh Zinner, ICCR
- **Overview of ICCR’s 2024 season trends:** Julie Wokaty, ICCR
- **The importance of a living wage for workers:** Marcela Pinilla, Zevin Asset Management
- **Defending the human right to health:** Laura Krausa, CommonSpirit Health
- **Communities deserve environmental justice:** Pedro Henriques da Silva, Sierra Club Foundation
- **The need for greater AI transparency:** Brandon Rees, AFL-CIO
- **Human rights risks in conflict-affected areas:** Chirag Acharya, Wespeth Benefits and Investments
- **Q & A**



Josh Zinner
ICCR CEO

An Update on Attacks on Shareholder Rights

A sign of our growing success—both as ICCR and as a movement—is our opponents' coordinated, sustained, and forceful attempts to derail our progress. As more and more investors and companies recognize climate change and other ESG risks as material to long-term sustainability, those opposed to addressing these risks have mobilized to put a stop to corporate progress on these critical systemic issues.



2024 Proxy Resolutions and Voting Guide



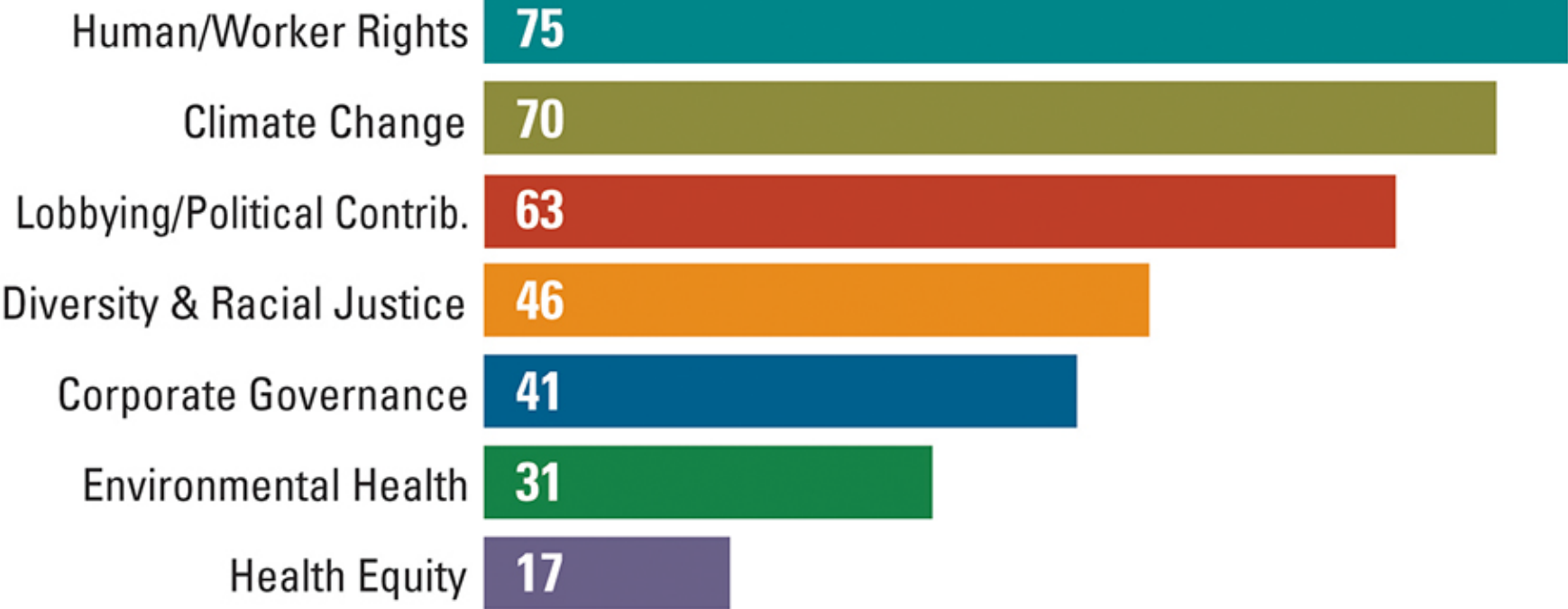
Julie Wokaty, Associate
Communications Director

Proxy Guide Overview

Background: Full texts of shareholder resolutions across seven areas: climate change; corporate governance; diversity and racial justice; environmental health; health equity; worker rights/human rights; lobbying and political contributions. Filing trends and context.

Scope: Resolutions, led and co-filed, by ICCR member organizations as of February 15.

344 Resolutions Filed



2024 Proxy Resolutions and Voting Guide

Key Trends this 2024 Proxy Season

- **344 proposals** filed at **215 companies**
- **Human rights, the climate crisis, and corporate political activities** continue to dominate investor concerns
- **Artificial intelligence (AI)** is emerging as a growing investor concern
- Worker rights provisions such as the adoption of a **living wage policy, collective bargaining rights, and paid sick leave** see more proposals
- A continued focus on human rights abuses in **conflict-affected high-risk areas** (CAHRA), including Uyghur forced labor in the renewable energy sector and the Russian invasion of Ukraine

2024 Proxy Resolutions and Voting Guide

New Topics in 2024 Proposals

- Accelerate Plans for Medium-Term Scope 3 GHG Reduction Target
- AI Transparency Report
- Amendments to Code of Ethics
- Ascertain Client Voting Preferences
- Assess/Mitigate Potential Health Harms from Non-Sugar Substitutes
- Climate Stewardship Report
- Compensation Policy that Optimizes Portfolio Value for Company Shareholders
- Deep-Sea Mining Disclosure
- Disclosure of Risks Associated with Continued Investment in High Carbon Products
- Establish a Committee on AI Risks
- Fair Treatment of Shareholder Nominees
- Generative AI and Misinformation/Disinformation
- Human Rights Policy Including the Right to Health
- Impact of Racial and Ethnic Disparities on Business
- Living Wage Disclosure
- Net Zero Sector Emissions Alignment
- Paris-Aligned Lobbying - Net Zero Assessment
- Public Health Impacts Associated with Products (Gun Manufacturers)
- Proxy Voting Alignment
- Reduce Microfiber Pollution
- Report on Potential Cost Savings through Adoption of No Smoking Policy

Voluntary Withdrawals (For Agreements)



A sampling of the early withdrawals our members have negotiated thus far includes:

- **Apple:** Risks of Child Sexual Exploitation and Abuse (*Lead: Christian Brothers Investment Svcs.*)
- **Bank of Montreal:** Racial Equity Audit (*Lead: SHARE*)
- **ADM:** Climate Transition Plan and GHG Reduction Targets (*Lead: Mercy Investment Svcs.*)
- **Starbucks:** Lobbying Expenditures Disclosure (*Corporate Governance*)
- **Bristol-Myers Squibb:** Human Rights Policy (*Lead: Mercy Investment Svcs.*)
- **Thermo Fisher Scientific:** DNA testing kits in Tibet (*Lead: Azzad Asset Mgt.*)

Overview of SEC Challenges (No Action Requests)

- ICCR-member resolutions have received 42 SEC challenges to date, consistent with the 43 we saw at this time last year.

Issue areas seeing the most challenges:

- Corporate Governance: **11**
- Climate Change: **10**
- Lobbying and Political Spending: **7**
- Human/Worker Rights: **7**
- Health: **4**
- Enviro: **2**
- Diversity and Racial Justice: **1**





Marcela Pinilla Director, Sustainable Investing Zevin Asset Management **Living Wage**

Business Case:

- Long-term investments in the workforce foster reputational benefits for companies, improved worker morale, motivation, and productivity, and better recruitment and staff retention.

Companies:

- Amazon, Hershey, Home Depot, Kohl's ("Living Wage")
- Kroger, Target, Walgreens, Walmart ("Set Compensation Policy")





Laura Krausa

System Director Advocacy Programs
CommonSpirit Health

The Human Right to Health

Business Case:

- The UN Special Rapporteur on the Right to Health has made clear that responsibility for increasing access to medicines is shared between states and pharmaceutical companies and recommends that firms “adopt a human rights policy statement that expressly recognizes the importance of human rights generally and the right to the highest attainable standard of health in particular.”

Companies:

- Bristol-Myers Squibb, Eli Lilly and Company and Pfizer





Pedro Henriques da Silva
Director, Shifting Trillions
Sierra Club Foundation
Environmental Justice

Business Case:

- Even as companies seek to abide by international human rights standards, many have not yet adequately assessed the regulatory, reputational, and write-down risks related to environmental justice concerns. Regulatory pressure is rising. Recently, the U.S. instituted a federal pause on permitting for liquid natural gas (LNG) exports, in order to understand the health and other risks involved. This puts financing for existing LNG development in a precarious position.

Company:

- Goldman Sachs





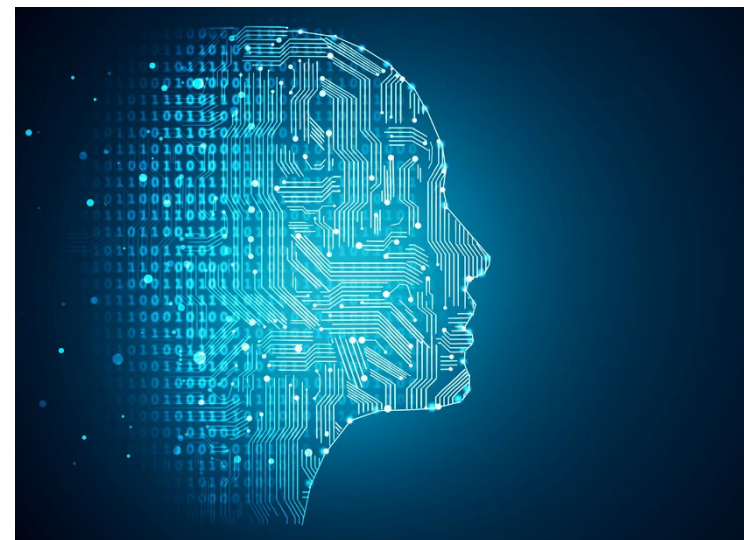
Brandon Rees
Deputy Director, Corporations and Capital Markets
AFL-CIO
AI Transparency

Business Case:

- Adopting an ethical framework for the use of AI technology will strengthen a company's position as a responsible and sustainable leader in its industry. By addressing the ethical considerations of AI in a transparent manner, a company can build trust among its stakeholders and contribute positively to society.

Companies:

- 6 companies: Amazon, Apple, Comcast, Disney, Netflix, Warner Bros.





Chirag Acharya

Senior Analyst, Sustainable Investment Stewardship
Wespath Benefits and Investments

Conflict-Affected and High-Risk Areas (CAHRA)

Business Case:

Companies operating in conflict-affected settings face business risks that are much greater than those in other emerging markets. The risks include deaths and injuries, destruction of assets, weak state control, and supply-chain disruptions. Some of the material financial risks include regulatory risks, legal risks, operational risks, and reputational risks for all affected parties, including corporations and shareholders.



Companies:

- Wespath resolution: Mondelēz
- Other resolutions addressing CAHRA this year at: J.P. Morgan Chase, Lockheed Martin, Marriott, Raytheon, Texas Instruments, Trip Advisor



Q & A

2024 Proxy Resolutions and Voting Guide

Thank you for joining us today...

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

A link to the 2024 Proxy Resolutions and Voting Guide and the recording will be emailed to all participants after the webinar.

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

To learn more about how your organization can become an ICCR member, contact kcheseborough@iccr.org.

...and please vote your proxies!

Twitter: #VoteYourProxies

