



## 2017 Proxy Resolutions and Voting Guide



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

*Inspired by Faith, Committed to Action*



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Texas Roadhouse, Inc.	Sustainability Reporting	99
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Western Union Company (The)	Non-Discrimination Policies in States with Discriminatory Laws	172
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	Reduce Food Waste	111
Wyndham Worldwide Corp.	Political Contributions	181
XPO Logistics	Assess Human Trafficking/Forced Labor in Supply Chain	146
Xcel Energy, Inc.	Business Plan for 2C Warming Scenario	48
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Xerox Corporation	Ethical Labor Recruitment	145
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# 2017 Executive Summary

**C**elebrating its 46th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability on questions such as climate change, corporate water stewardship, sustainable food production, human trafficking and slavery in global supply chains and increased access to financial and health care services for communities in need. As investors, our vision is that ethical business practices are in the best long-term interests of corporations.

This guide presents ICCR member-sponsored resolutions — whether as lead or co-filer — for the 2017 proxy season, as of January 27. If you are a shareholder, we invite you to read through it, review our members’ argumentation and support those resolutions you can. Bearing in mind that any abstention is counted as a vote for management by default, we strongly urge investors to be active shareowners and vote all their proxies as an important exercise of shareholder rights, whenever possible.

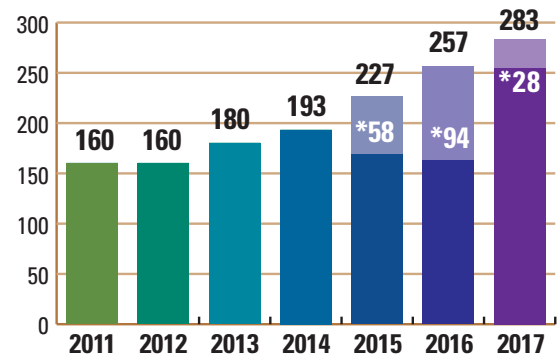
Throughout the year, our members engage corporations in various ways on a multitude of topics; thus, the resolutions collected in this guide only partially reflect the scope of ICCR members’ corporate engagement activities. To get a fuller sense of the breadth of our work, visit our website, [www.iccr.org](http://www.iccr.org).

## 2017 Proxy Season Overview

In a continuation of a trend for the last 5 years, **the number of resolutions filed by ICCR members for the 2017 AGM season rose, to 283**. The total number of companies receiving resolutions this year is **165**, down slightly from 182 in 2016.

## Resolutions by Year

withdrawals\*

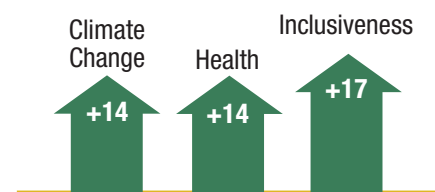


At the time of publishing, ICCR members had withdrawn 28 of these resolutions in exchange for substantive agreements with companies related directly to their resolutions. A few examples of these successes are:

- Exxon’s appointment of a climate scientist to its board of directors
- Restaurant Brands International’s (Burger King and Tim Hortons) commitment to curb medically important antibiotics used in chicken
- Wells Fargo’s revision of its bylaws to separate its CEO and Board Chair roles

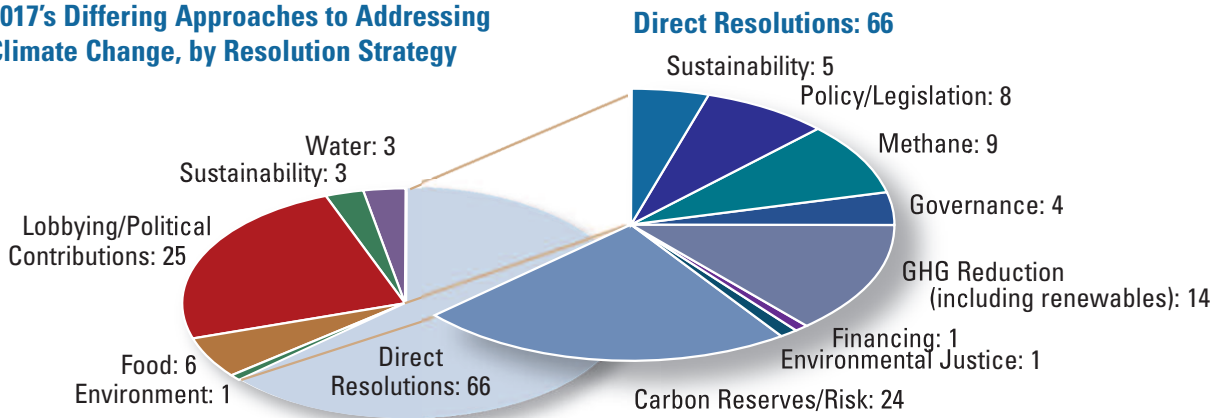
In terms of the concentration of resolutions by topic, proposals continue to reflect investor concerns about climate change, and corporate influence through lobbying and political spending.

This year filings increased significantly related to climate change, health and inclusiveness/diversity issues.



## Climate Change Resolutions

### 2017's Differing Approaches to Addressing Climate Change, by Resolution Strategy



### Climate Remains a Top Concern for ICCR Members

In response to mounting anxiety about climate risks to business, ICCR members filed a **record 104 resolutions addressing climate-related topics**, 13 more than in the previous year. As the chart above illustrates, **66 of these dealt primarily** with climate change, while an additional **38** addressed climate change **indirectly**, via lobbying, executive compensation, sustainability, food, water, or the environment.

ICCR members are pursuing a broad campaign that seeks to promote the transition to a clean energy economy by asking companies to develop business plans that take into account a 2C warming scenario and are calling for corporations to make GHG emissions reductions using science-based targets. In terms of companies, investors are prioritizing heavy emitters such as electric utilities and power companies, 13 of which received resolutions this year.

### Resolutions on Other ICCR Priority Issues

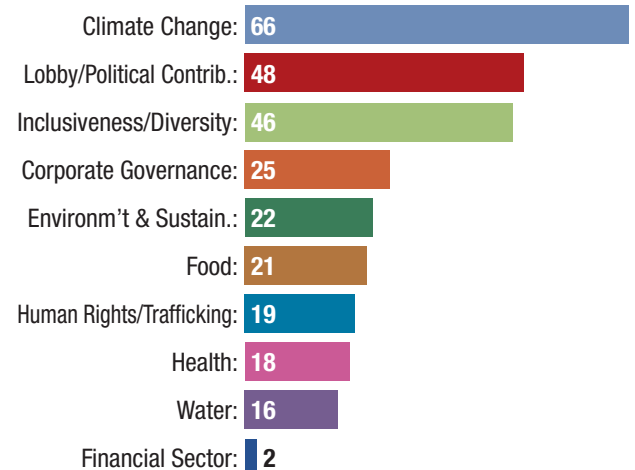
After climate change, filings addressing **corporate lobbying and political contributions disclosure** formed the second major stream of ICCR member filings, with 48 resolutions.

As part of a campaign related to ICCR's **food** work, 6 resolutions called on meat companies to end the *non-therapeutic use of antibiotics in animal agriculture*, in an effort to preserve antibiotics' efficacy for human health. Last year's proposal calling on companies to *join the Fair Food Program* returned for a second year, as did a resolution on *corporate food waste*.

Filings on **health-related issues** were up sharply as a result of an investor push on drug pricing transparency with major U.S. pharma companies. Responding to rising prescription drug costs, this new crop of resolutions asked pharma companies to disclose their *rationale for annual price increases in excess of 10%* for their top drugs.

### Resolutions by Issue

283 total resolutions



Filings on **water-related topics** doubled this year, due to concern over water impacts and *indigenous people's rights* as a result of the attempted construction of the Dakota Access Pipeline. Investors also filed *human right to water* resolutions with water utilities, highlighting leaking pipes, high contaminant levels, and failing infrastructure, in an effort to prevent the ongoing crisis in Flint, Michigan.

ICCR members filed several **human rights and human trafficking** resolutions that asked corporations to adopt *principles for minimum wage* reform. Other resolutions emphasizing ethical labor recruitment called for companies to implement “no fees” policies where employers pay recruitment fees, not workers. A new resolution that emerged out of ICCR’s “Fair Chance Hiring” initiative challenged companies on their use of *criminal background checks* in hiring decisions, and asked them to evaluate the risk of racial discrimination that may result. Another resolution called attention to the *genocide in Burma*, committed against the Rohingya minority.

Under the **financial practices and risk** umbrella and in response to CFPB penalties for widespread fraud in its lending practices, Wells Fargo received three resolutions this year asking for 1) a report on its *business standards and risk management practices*, 2) *separation of its CEO and Chair positions*, which was withdrawn when the company modified its bylaws implementing this change, and 3) a resolution requesting that the company *tie executive pay to its sustainability performance and ethical business conduct*. In addition, Wells Fargo, along with Goldman Sachs and Morgan Stanley received resolutions drawing attention to their *financing of the Dakota Access Pipeline*.

This year there were 25 resolutions dealing with **corporate governance** themes, nearly half the volume of last year. A large group called for *separation of CEO and Chair roles*. Investors also took issue with discrepancies between the *proxy voting records* of large portfolio managers and their publicly stated positions on ESG issues like climate change, by filing 8 resolutions requesting alignment between proxy voting practices and public positions. Privately held mutual funds like Vanguard are not required to hold an annual stockholder meeting unless they are making significant changes requiring a vote by investors in the fund. Shareholders filed with Vanguard nonetheless to alert the fund that they are questioning its proxy voting practices on climate change.

Resolutions on **diversity and inclusiveness**, which encompass topics such as board/workplace diversity, gender pay disparity and LGBT issues, also increased this year. A new resolution addressed the *business risks of operating in states with anti-LGBT legislation*.

### New Topics This Year

- DAPL
- Climate Change Impacts of Increased Biomass Use
- Criminal Background Checks in Hiring Decisions
- Gender Pay Gap
- Non-Discrimination Policies in States with Discriminatory LGBT Laws
- Proxy Voting Policies – LGBT issues
- Sustainable Protein

**We close with a reminder that ICCR is a large and diverse coalition; as such, the inclusion of a given resolution in the Guide should not be interpreted as its unanimous endorsement by our membership.**

### A Note on Our Methodology

Much of ICCR's current work is intersectional, i.e., addressing multiple, overlapping social and environmental issues. For the purposes of reporting, we therefore categorize shareholder resolutions according to their **primary** focus. For example, resolutions calling for greater disclosure on lobbying and political contributions but indirectly referencing climate policy are considered lobbying resolutions. Likewise, resolutions addressing banks' financing of the DAPL project, which endangers the Standing Rock Sioux's water supply, are considered chiefly water resolutions. Similarly, a resolution calling for safe disposal of prescription drugs to prevent water pollution is discussed in the water section of this book.

In an update from our editorial policy last year, we moved a handful of resolutions regarding proxy voting practices which previously appeared in the corporate governance section into the social or environmental issue section they specifically addressed — i.e., *proxy voting policies and climate change* to the climate change section of the book, and *proxy voting policies and LGBT*

*issues* to the inclusiveness section of the book. Additionally, *executive pay: incorporate diversity metrics* moved into inclusiveness, while *executive pay tied to resilience to low-carbon scenarios* moved to climate change, and *executive pay: incorporate sustainability metrics* moved into sustainability. In addition, sustainability reporting resolutions with a strong emphasis on climate change moved to the climate change section of this book.

Note: filings received after the 1/21/17 closing date are not included in this Guide but will be made available on [www.iccr.org](http://www.iccr.org). In addition, over the next few months, some resolutions published here will likely be withdrawn by their filers in exchange for agreements or will be omitted with permission from the SEC, and thus will not appear on corporate proxy ballots. Resolutions that have already been withdrawn are indicated in the ICCR Member Resolutions by Company section, which begins on page 2.



We hope you'll let us know you've voted by tweeting to us at @ICCRonline using the hashtag #VoteYourProxies.

## Climate Change

**14**  
more resolutions  
than in 2016

The new President has signaled his strong intention to walk back our country’s commitment to the 2-degree scenario adopted as part of the Paris global climate agreement signed last year, and is looking to loosen, not tighten, GHG emissions regulations. Responsible investors are doubling down on their efforts to work with U.S. corporations to help build a clean energy economy through GHG reduction, energy efficiency, and adoption of renewable energy.

Investor efforts to curb corporate GHG emissions and channel corporate influence in support of positive climate policy stem from the real and immediate risk climate changes poses to the health of the planet and its people as well as the health of corporations and their investments.

ICCR members filed 104 resolutions addressing climate change for the 2017 proxy season. Sixty-six of these dealt primarily with climate change and are discussed in this section, while an additional 38 addressed climate change indirectly via one of 5 other approaches, and will be discussed in those sections. These include 25 in Lobbying & Political Contributions (see page 177), 3 in Sustainability, 6 in Food, and 3 in Water, and 1 in Environment.



Proposal Topic	Quantity
<b>Climate Change</b>	<b>66</b>
Board Oversight of Climate Change Policies	1
Business Plan for 2C Warming Scenario	17
Carbon Asset Risk	1
Climate Change Impacts of Increased Biomass Use <b>NEW</b>	1
Climate Risk Management Report	1
Executive Pay Tied to Resilience to Low-Carbon Scenarios	2
Feasibility of GHG Disclosure and Management	1
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### Greenhouse Gas Reduction – Science-Based Targets

In order to meet the Paris agreement’s goal of keeping the rising global temperature well below 2 degrees Celsius, climate scientists estimate it is necessary to reduce global GHG emissions by 55 percent (relative to 2010 levels) by 2050, entailing a U.S. reduction of 80 percent. Investors believe companies that take comprehensive, proactive steps to achieve these reductions will be better positioned in the market. Investors expect companies to do this chiefly through the setting of science-based targets.

This year ICCR members asked 8 companies in a range of industries, including Emerson, Gilead Sciences and Verizon, to adopt time-bound, quantitative, company-wide, science-based goals for reducing their total GHG emissions.



“Several resolutions filed this year with electric utilities and oil and gas companies reflect the goals of the Paris agreement by asking companies to report on how their future plans incorporate 2-degree analysis or how they will change their business plans to align with the low-carbon economy required to keep global temperatures below the 2-degree mark.

Electric utilities, the single largest source of carbon pollution in the United States, have great potential to reduce emissions through low-carbon investments in their energy production mix. Investors believe significant progress and transformative change are both possible and practical for this industry.

Similarly, multinational oil and gas companies cannot ignore the 2-degree goal of the Paris Agreement. Current business plans may become obsolete due to the potential for widespread adoption of carbon pricing and emissions control regulations; the growth of disruptive technologies, such as electric vehicles; the ongoing low cost of natural gas; and the increased affordability of wind and solar technology.

In December 2016, the Task Force on Climate-related Financial Disclosures (TCFD) released draft guidelines for climate-related disclosures in financial filings. The guidelines strongly support ICCR members’ request that companies plan for a 2-degree world. This request closely aligns with Moody Investor Services’ June 2016 announcement that it will use the 2-degree goals of the Paris Agreement to assess the credit implications of the climate risks that companies face.”

**Mary Minette, Director of Shareholder Advocacy –  
Mercy Investment Services**

### Business Plan for 2C Warming Scenario

Citing the Paris agreement, investors targeted the power and oil & gas sectors with resolutions asking them to develop business plans addressing the new 2 degree challenge. Both sectors face high carbon risk exposure. Expansion of electric and hybrid vehicles, innovations in low-carbon fuels, and increased fuel efficiency are expected to reduce demand for petroleum-based fuels. Similarly, rapid expansion of low-carbon technologies, including distributed solar and battery storage, as well as grid modernization, increasing energy efficiency and electric vehicles pose challenges, but also growth opportunities for utilities.

17 utilities and oil & gas companies, including AES, AMEREN, Chevron, Duke, Exxon Mobil, Marathon, Occidental and Southern received resolutions requesting reports on a) their strategies for aligning their business plans with the Paris Agreement’s 2C goal, and to b) assess the long-term impacts of public policies and technological advances emerging from the Paris agreement — which may include adjusting capital expenditure plans and integrating technological and business model innovations.



### Methane Emissions – Measure Leakage & Disclose

Methane emissions are a dangerous greenhouse gas and a powerful contributor to climate change, with an impact on global temperature roughly 84 times that of carbon dioxide over a 20-year period. The health, environmental, and economic impacts of methane and its associated air emissions are substantial. Regulation surrounding methane emissions is increasing. In 2014, Colorado became the first state to directly regulate methane emissions from oil and natural gas operations. In August 2015, the EPA proposed the first-ever direct regulation of methane pollution for new and modified sources in the oil and gas industry. Responsible investors support methane leak detection and repair, and bringing captured methane to market for sale instead of flaring it, to avoid waste and pollution.

A new Federal rule intended to curb methane leaks by companies operating on public lands which went into effect in mid-January is now imperiled, with the Senate expected to start voting on a repeal in early February.

Investors asked 9 utilities and energy companies, including Centerpoint, Dominion Resources, Exxon Mobil, Occidental and Southern, to report how they intend to reduce their climate risk by controlling their methane emissions.





### Proxy Voting Policies – Climate Change

Investment managers are often responsible for voting proxies on behalf of their clients. Several leading investment management firms publicly acknowledge the material risk climate change poses to investments, yet their proxy voting records directly contradict this knowledge. These asset managers have voted against the majority of climate change resolutions over the past few years, even those that simply asked for disclosure of climate-risk metrics.

Bank of New York Mellon, BlackRock, Franklin Resources, J.P. Morgan Chase, T. Rowe Price and Vanguard received resolutions requesting their asset managers to bring their voting practices in line with their stated positions on climate change, and explain the rationale for any incongruity.

Privately held mutual funds like Vanguard are not required to hold an annual stockholder meeting unless they are making significant changes requiring a vote by investors in the fund. Thus, this year's Vanguard resolution will not appear on a spring proxy statement. Shareholders filed the resolution nonetheless to alert the fund that they are questioning its proxy voting practices on climate change.

### Review Public Policy Advocacy on Climate Change

Oil and gas companies often mount expensive lobbying campaigns to oppose legislation and regulation addressing climate change or renewable energy, either directly or through third party organizations such as trade associations. Last year, Exxon Mobil was the subject of a major public scandal when it was revealed that the company knew about the threat of climate change decades ago, yet has for years contributed millions of dollars to think tanks and politicians that spread doubt and misinformation on climate change. Investors argue that public policy advocacy of this type exposes a company to serious reputational risk.

Again this year, investors questioned companies' public policy advocacy through the U.S. Chamber of Commerce, which fights progress on climate-related legislation. Investors asked the board of directors of 2 energy companies – Devon Energy and Occidental Petroleum – to initiate reviews and assessments of the organizations in which they are members or otherwise support financially for lobbying at the federal, state, or local levels.

### Fossil Fuel Financing

Bank of America Corp.

WHEREAS: Climate change is a global challenge that continues to gain widespread attention for its numerous, significant environmental, economic, and social impacts. Most notably, in December 2015, political leaders from 195 nations signed an agreement in Paris to limit global temperature rise to below 2°C above pre-industrial levels, ideally striving to limit warming to 1.5°C. This agreement entered into force in November, 2016.

Bank of America (BAC) pledged support for a strong outcome in Paris as a founding signatory to the American Business Act on Climate and subsequently lauded the outcome – in its 2015 ESG Report BAC states: “...we applaud government, business, and non-governmental organization leaders for achieving this agreement. The agreement helps spur the conversation with investors to increase and reallocate capital from high-carbon to low-carbon investments.”

Bank of America has a commitment to provide \$125 billion in financing for low-carbon and other sustainable businesses by 2025. BAC’s Vice Chairman has said this commitment is part of its effort to “be a leader in clean energy investment” and that BAC’s “analysts estimate the [clean energy] sector will grow by \$13 trillion by 2030”. Simultaneously, BAC has worked to reduce financing to certain high-carbon fossil fuel activities. In its Coal Policy, BAC states: “Going forward, Bank of America will continue to reduce our credit exposure to coal extraction companies.”

Coal is, of course, only one fossil fuel. According to the 2016 report, “Shorting the Climate”, BAC continues to be a significant financier to companies involved in other high-carbon fossil fuel activities – coal-fired power plants, liquefied natural gas (LNG) export terminals, and “extreme oil” (Arctic drilling, Canadian tar sands extraction, and ultra-deep water offshore drilling). “Shorting the Climate” connects Bank of America to nearly \$25 billion and \$30 billion in financing for companies involved in “extreme oil” and LNG export terminals respectively between 2013 and 2015.

Oil and gas pipeline projects carry added reputational risk. BAC recently received criticism for providing over \$350 million in revolving credit to the companies behind the controversial Dakota Access Pipeline.

Bank of America’s financing of companies involved in these high-carbon, high-cost activities stands to undermine the efficacy of its otherwise ambitious low-carbon initiatives, placing BAC’s reputation as an environmental leader in jeopardy.

RESOLVED: Due to the significant climate, reputational, and financial impacts of fossil fuel financing, shareholders request Bank of America:

1. Broaden its Coal Policy to include reducing credit exposure to companies materially involved in constructing and/or operating coal-fired power plants; LNG export terminals; oil and gas pipeline projects; Arctic oil and gas drilling projects; Canadian tar sands extraction and production projects; and/or ultra-deep water offshore oil and gas drilling projects.
2. Establish a time-bound commitment to fully eliminate credit exposure to companies materially involved in each of the fossil fuel activities mentioned herein.

### Review Public Policy Advocacy on Climate

#### Occidental Petroleum Corporation

Occidental Petroleum has gone through a major transition, having spun off its California oil and gas business. In an October 2014 press release, the company emphasizes Occidental Petroleum is “committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company’s worldwide operations.”

We believe public policy advocacy by Occidental should be carefully scrutinized to assess the impact on the environment as well as our company’s reputation and to insure that our company’s lobbying and political spending is consistent with our environmental and social standards. Occidental spent over \$24 million on lobbying from 2013-2015 which does not include lobbying expenditures in states not requiring disclosure.

Occidental Petroleum decided to withdraw from the American Legislative Exchange Council (ALEC) which aggressively campaigns against renewable energy regulation at the state level. We commend the company for this decision. Renewable energy is a very important tool to combat climate change.

However, Occidental is a prominent member of the U.S. Chamber of Commerce which spent \$1.2 Billion on lobbying since 1998, has sued the EPA for its climate leadership and is actively campaigning against the new EPA Clean Power Plan. We urge management to use its voice in the Chamber to call for more climate sensitive policies.

Investor concern about climate lobbying is growing. The Principles for Responsible Investment (PRI) published a set of Investor Expectations on climate lobbying endorsed by investors with \$4 Trillion in assets calling on companies to insure their public policy advocacy supports efforts to mitigate and adapt to climate change.

The public perception is that oil and gas companies, including Occidental, often oppose laws and regulations addressing climate change or renewable energy. Thus we are urging this review. This resolution received 28% vote in 2016.

**RESOLVED:** Shareholders request that the Board of Directors initiate a comprehensive review of Occidental’s public policy advocacy on climate including an assessment of the organizations in which Occidental Petroleum is a member, or otherwise supports financially, regarding their lobbying on legislation at federal, state, or local levels. A summary report of this review, prepared at reasonable cost and omitting proprietary information, should be reviewed by the Board Governance Committee and made available to shareholders.

Supporting Statement: We propose the review:

1. Examine the philosophy, objectives and actions taken by trade associations or organizations Occidental supports and review their public positions and lobbying related to the environment and climate change.
2. Assess the consistency between our company’s stated policies, principles, and Code of Conduct with those organizations;
3. Determine if the relationship carries reputational or business risk with a potential negative impact on the company and its shareholders;
4. Evaluate management’s rationale for its involvement in and financial support of the trade association or organization;
5. Review the Board’s oversight procedures;
6. Assess how management analyzes climate research highlighting risks and opportunities pertinent to oil companies.

### Review Public Policy Advocacy on Climate

#### Devon Energy

WHEREAS: The Intergovernmental Panel on Climate Change (IPCC), the world's leading scientific authority on climate change, confirmed in 2013 that warming of the climate is unequivocal and human influence is the dominant cause. Extreme weather events have caused significant loss of life and billions of dollars of damage. Many investors are deeply concerned about existing and future effects of climate change on society, business and our economy.

The IPCC estimates that a 50% reduction in greenhouse gas emissions globally is needed by 2050 (from 1990 levels) to stabilize global temperatures, requiring a U.S. target reduction of 80%.

Urgent action is needed to achieve the required emissions reductions. We believe the U.S. Congress, Administration as well as states and cities, must enact and enforce strong legislation and regulations to mitigate and adapt to climate change, reduce our use of fossil fuels and move us to a renewable energy future.

Accordingly, we urge companies in the energy sector to review and update their public policy positions on climate.

Investor concern about climate lobbying is growing. The Principles for Responsible Investment (PRI) recently published "Investor Expectations on Corporate Climate Lobbying." Endorsed by investors with \$4 trillion in AUM, the statement calls on companies to insure that their public policy advocacy supports efforts to mitigate and adapt to climate change.

The public perception is that oil and gas companies often oppose laws and regulations addressing climate change or renewable energy.

Consequently, company political spending and lobbying on climate or energy policy, including through third parties, is increasingly scrutinized. For example, investors question companies' public policy advocacy through the U.S. Chamber of Commerce, which often obstructs progress on climate-related legislation and in 2015 sued the EPA attempting to block its climate change initiative, the Clean Power Plan.

In contrast, in October 2015 ten of the world's oil companies, including BP and Shell, called publicly for strong global climate goals and supported reducing their Greenhouse Gas emissions.

RESOLVED: Shareholders request that the Board commission a comprehensive review of Devon's positions, oversight and processes related to public policy advocacy on energy policy and climate change. This would include an analysis of political advocacy and lobbying activities, including indirect support through trade associations, think tanks and other nonprofit organizations. Shareholders also request that Devon prepare (at reasonable cost and omitting confidential information) a report describing the completed review.

Supporting Statement: We recommend that this review include:

- Whether Devon's current company positions on climate legislation and regulation are consistent with the reductions deemed necessary by the IPCC;
- The level of Board oversight of the company's public policy advocacy on climate;
- Direct and indirect expenditures (including dues and special payments) for issue ads designed to influence elections, ballot initiatives or legislation related to climate changes;
- How Devon follows and analyzes climate research pertinent to oil companies and whether management engages with scientists and climate experts; and
- Proposed actions to be taken as a result of the review.

### Proxy Voting Policies – Climate Change

#### Bank of New York Mellon Corporation

WHEREAS: Bank of New York Mellon (“Bank”) is a respected global leader in the financial services industry and rightly proud of its good governance, positive social and environmental programs and services to clients.

For example, in 2015 the Bank announced it would make available a “wide range of environmental, social and governance (ESG) data and insight to its depository bank clients”, the first bank to offer this service to issuers, noting the growing momentum from investors and companies to more carefully consider the implications of ESG factors.

In a public statement before the Paris Climate conference, Bank of New York Mellon President Karen Peetz stated “Businesses, in partnership with governments, non-governmental organizations and others, have an important role to play in shaping a low-carbon future. Taking strategic action to mitigate climate change is good for our clients, our investors, our people and our world.”

Bank of New York Mellon and its subsidiaries invest money on behalf of their clients and as part of their fiduciary duty are responsible for recommending votes or voting proxies in their portfolios. Proxy voting is one of the principal ways investors can communicate with companies.

The Bank’s unit that provides guidance on voting proxies rightly focuses on their clients’ economic interests in giving voting advice and voting proxies and actively votes on numerous governance reforms.

Yet the proxy voting record of the Bank’s investment subsidiaries, guided by the Bank’s recommendation and publicly reported in official N-PX forms, demonstrates a consistent vote against virtually all environmental resolutions, even when there is a strong business and economic case supporting the resolution.

Many shareholder resolutions on the topic of climate change simply ask for more disclosure or goals to reduce greenhouse gas. Funds managed by Bank of New York Mellon subsidiaries voted against virtually all these resolutions. In contrast funds managed by investment firms such as Goldman Sachs, Wells Fargo, Morgan Stanley, and AllianceBernstein supported the majority of these resolutions and investors like State Street and TIAA voted in favor of a significant percentage of resolutions on climate.

These incongruities pose a reputational risk to the company and given the severe impacts of climate change, including significant risks to investors and the economy, there is risk to BNY Mellon and its clients if its proxy voting practices ignore climate change.

We believe Bank of New York Mellon should review and report on its proxy voting policies and record compared to the Bank’s public statements on climate change.

RESOLVED: Shareowners request that the Board of Directors issue a report on proxy voting and climate change to shareholders prepared at reasonable cost and omitting proprietary information.

This assessment and report would review proxy votes appearing inconsistent with the company’s climate change positions and scientific consensus, and provide explanations of the incongruence. The report can also review future steps to enhance congruency between climate policies and proxy voting.

### Proxy Voting Policies – Climate Change

Franklin Resources, Inc.

WHEREAS: Franklin Resources (FR) is a respected leader in the financial services industry. FR has stated publicly that it understands how environmental, social, and governance (ESG) factors can affect companies financially. On its website, the Company states ESG issues may affect the value of an investment.

FR reports upon and acts to mitigate greenhouse gas emissions associated with its operations. Climate change has been incorporated into the FR's enterprise and investment risk assessment processes as part of its ESG integration. In its response to a survey by the Carbon Disclosure Project, FR states:

... The ESG team partners with Investment Managers to enhance the integration of ESG considerations in the investment process in order to manage risk and increase returns, as ESG issues like ... climate change... can impact the performance of securities.

FR and its subsidiaries are responsible for voting proxies of companies in their portfolios. Aside from buy and sell decisions, proxy voting is one of the principal ways in which investors can engage in active management of portfolio risks and opportunities related to climate change. Many resolutions on the topic of climate change voted on by FR simply asked for more disclosure. But according to public fund voting records, over the past few years, funds managed by subsidiaries of FR voted against the vast majority of these resolutions. This is in contrast to funds managed by investment firms such as Morgan Stanley, Wells Fargo, Neuberger Berman, and AllianceBernstein who supported the majority of them and investors like Goldman Sachs, State Street and MFS voted in favor of a significant percentage. Nothing in FR's disclosures provides investors with information to evaluate whether the company's votes and positions on climate are consistent.

These incongruities could pose a reputational risk to the company, in contrast to actions by competing investment firms. Proxy voting records on climate have come under increased media scrutiny ("Vanguard and BlackRock branded 'hypocritical'," FT Adviser, September 6, 2016). Given the severe impact of climate change, there is risk to the company and its clients if its proxy voting practices consistently oppose disclosure and reasonable actions to address climate change risks.

RESOLVED: Shareowners request that the Board of Directors issue a climate change report to shareholders by September 2017, at reasonable cost and omitting proprietary information. The report should review and evaluate consistency between the company's focus on climate change as a sustainability issue, and its proxy voting practices for FR and its subsidiaries within the last year.

This assessment should review votes cast that appear to be inconsistent with the company's emphasis on climate change as a sustainability issue and explain the incongruity. The report should also discuss policy measures that the company may adopt to help enhance congruency between climate policies and proxy voting, including how risks are managed through engagement with investee companies.

### Proxy Voting Policies – Climate Change

J.P. Morgan Chase & Co.

JPMorgan Chase (JPM) is a global leader in the financial services industry with commendable policies and practices addressing environmental, social, and corporate governance (ESG) topics.

JPM's Environmental and Social Policy Framework states, "JPMorgan Chase recognizes that climate change poses global challenges and risks... We believe the financial services sector has an important role to play as governments implement policies to combat climate change, and that the trends toward more sustainable, low-carbon economies represent growing business opportunities."

As a lender, JPM reduced credit exposure to companies deriving a majority of revenues from extraction and sale of coal and limited project financing of new coal-fired power plants.

In one of many statements by global leaders highlighting climate risk, Mark Carney, Governor of the Bank of England stated "the combination of the weight of scientific evidence and the dynamics of the financial system suggest that, in the fullness of time, climate change will threaten financial resilience and longer-term prosperity."

JPM subsidiaries invest money on behalf of clients and, as fiduciaries, are responsible for recommending votes and voting proxies of public equities. Proxy voting is a primary mechanism for investors to express to management their opinions on many policies and practices.

J.P. Morgan Asset Management is a member of the Principles for Responsible Investment, a global network of investors and asset owners representing approximately \$62 trillion in assets. One of the Principles encourages investors to vote conscientiously on ESG issues.

JPMorgan Asset Management focuses appropriately on clients' economic interests in voting proxies and frequently votes for important governance reforms proposed by shareholders believing these issues affect shareholder value.

Yet JPM's recent public proxy voting record reveals votes against virtually all shareholder resolutions on climate change (except the few supported by management), such as requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts find a strong business case for support.

In contrast, funds managed by investment firms such as AllianceBernstein, Morgan Stanley, Neuberger Berman, and Wells Fargo supported the majority of these resolutions. Goldman Sachs, MFS Investment Management, and State Street Global Advisors also voted for many climate change resolutions.

JPM's voting practices appear inconsistent with its policies and statements addressing climate change and pose reputational risk for the company. Moreover, proxy voting practices that ignore climate change fail to recognize significant company-specific and economy-wide risks associated with negative impacts of climate change. For example, corporations that effectively address climate issues impacting their businesses are protecting long-term shareholder value.

Thus we believe it is JPMorgan Asset Management's fiduciary duty to review how climate change impacts our economy and portfolio companies and evaluate how shareholder resolutions on climate may impact long-term shareholder value as they vote proxies.

**RESOLVED:** Shareowners request that the Board of Directors initiate a review and issue a report on our proxy voting policies and practices related to climate change prepared at reasonable cost and omitting proprietary information.

### Proxy Voting Policies – Climate Change

T. Rowe Price Associates, Inc.

WHEREAS: T. Rowe Price (TROW) is a respected leader in the financial services industry. TROW has stated publicly that it understands how environmental, social, and governance (ESG) factors can affect companies financially. On its website, the Company states ESG issues may affect the value of an investment.

TROW reports and mitigates greenhouse gas emissions associated with its operations and the company's other climate change-related impacts. In its response to the 2016 survey by the Carbon Disclosure Project, the Company states: "We incorporate processes for considering climate change risks and opportunities into several areas of the firm consistent with the risks and opportunities presented by our business."

Climate change has also been incorporated into TROW's enterprise and investment risk assessment processes. The Company notes: "[C]limate change risks and opportunities impact our decisions as an investment manager... Our investment decision processes consider climate change risks and opportunities depending on the nature of the company and its underlying business."

TROW and its subsidiaries are responsible for voting proxies of companies in their portfolios. Aside from buy and sell decisions, proxy voting is one of the principal ways in which investors can engage in active management of portfolio risks and opportunities related to climate change.

TROW is a signatory of the UN Principles for Responsible Investment, a global network of investors and asset owners representing approximately \$62 trillion in assets. One of the Principles encourages investors to vote conscientiously on ESG issues.

However, nothing in the existing disclosures provides investors with sufficient information to permit meaningful assessment of the congruency of proxy voting with TROW's statements recognizing climate change-related risks. Indeed, available information suggests that TROW's proxy voting record is incongruent with a responsive approach to climate change.

Many resolutions on climate change voted on by TROW simply asked for more disclosure. According to public fund voting records, over the past few years funds managed by subsidiaries of TROW voted against the vast majority of these resolutions, in contrast to funds managed by investment firms such as AllianceBernstein, Morgan Stanley, Neuberger Berman, and Wells Fargo which supported the majority of them.

TROW's voting practices appear inconsistent with its policies and statements addressing climate change and pose reputational risk for the company. Moreover, proxy voting practices that ignore climate change fail to recognize significant company-specific and economywide risks associated with negative impacts of climate change. For example, corporations that effectively address climate issues impacting their businesses are protecting long-term shareholder value.

Thus we believe it is T. Rowe Price's fiduciary duty to review how climate change impacts our economy and portfolio companies and evaluate how shareholder resolutions on climate change may impact long-term shareholder value as it votes proxies.

RESOLVED: Shareowners request that the Board of Directors initiate a review and issue a report on our proxy voting policies and practices related to climate change prepared at reasonable cost and omitting proprietary information.



### Proxy Voting Policies – Climate Change

BlackRock, Inc.

*A similar resolution was submitted to Vanguard Funds.*

BlackRock is a respected global leader in the financial services industry, with commendable policies and practices addressing environmental, social and governance (ESG) topics.

Larry Fink, BlackRock's CEO sent a letter in February 2016 to S&P 500 companies expressing concern at the lack of focus on environmental and social risks stating "For too long, companies have not considered them core to their business – even when the world's political leaders are increasingly focused on them, as demonstrated by the Paris Climate Accord."

"Over the long-term, environmental, social and governance (ESG) issues – ranging from climate change to diversity to board effectiveness – have real and quantifiable financial impacts" he concluded.

On climate change, BlackRock has become an active and effective investor voice warning about the risks of climate change to investors and their portfolios. In a September 2016 Barron's article, Ewen Cameron-Wall, a senior Director at BlackRock, stated "Investors can no longer ignore climate change. Climate factors have been under-appreciated and underpriced..."

In summary, BlackRock seems sophisticated and knowledgeable about climate change and the need for portfolio companies to address the issue.

BlackRock's unit on voting proxies focuses appropriately on clients' economic interests in voting proxies and actively votes for numerous governance reforms proposed by shareholders believing these issues affect shareholder value.

BlackRock is a prestigious member of the Principles for Responsible Investment (PRI) a global network of investors and asset owners representing more than \$62 Trillion in assets. One of the Principles encourages investors to vote conscientiously on ESG issues.

Yet BlackRock's publicly reported proxy voting record reveals consistent votes against virtually all climate related resolutions (except the few supported by management) such as requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts advance a strong business and economic case for support.

In contrast funds managed by investment firms such as, Alliance Bernstein, Morgan Stanley, Neuberger Berman and Wells Fargo, supported the majority of these resolutions. Goldman Sachs, State Street Global Advisors and TIAA also voted for a significant percentage of climate resolutions.

BlackRock's voting practices, which appear inconsistent with company statements to companies and internal policies addressing climate change, pose reputational risk for the company. Moreover, proxy voting practices that ignore climate change fail to recognize significant company-specific and economy-wide risks associated with negative impacts of climate change. For example, companies effectively addressing climate changes that impact their business are protecting long-term shareholder value.

Thus we believe it is BlackRock's fiduciary duty to review how climate change impacts our economy and portfolio companies and evaluate how shareholder resolutions on climate may impact shareholder value and vote accordingly.

**RESOLVED:** Shareowners request that the Board of Directors initiate a review and issue a report on our proxy voting policies and practices related to climate change prepared at reasonable cost and omitting proprietary information.

### Greenhouse Gas Reduction – Science-Based Targets

#### Emerson

**RESOLVED:** Shareholders request Emerson Electric adopt time-bound, quantitative, companywide goals for reducing total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report at reasonable cost and omitting proprietary information on its plans to achieve these goals.

**Supporting Statement:** In December 2015, representatives from 195 countries adopted the Paris Climate Agreement, which specifies a goal to limit the increase in global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit temperature increases to 1.5°C. In order to meet the 2-degree goal, climate scientists estimate it is necessary to reduce global emissions by 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

Noting government action and policy shifts ensuing from these commitments, BlackRock, the world's largest asset manager, has stated that "climate change risk has arrived as an investment issue" and that "regulatory risks are becoming key drivers of investment returns."

Over half of S&P 500 companies have set GHG emissions reduction targets, including several of Emerson Electric's peers:

- Rockwell Collins: reduce greenhouse gas emissions intensity by 30 percent by 2022 compared to a 2008 baseline.
- Honeywell: reduce greenhouse gas emissions intensity by 10 percent from 2013 levels. This is Honeywell's third goal, having already met previous goals to reduce GHG emissions intensity by 15 percent from 2011 levels. Furthermore, the company reduced total GHG emissions by 30 percent and improved energy efficiency by 20 percent between 2004 and 2011.
- ABB: reduce energy intensity by 20 percent by 2020 from a 2013 baseline.

As a critical element of their GHG reduction goals, several peers also seek to improve energy efficiency. For example, Honeywell reports in its 2015 CDP response that it has projects related to energy efficiency underway that will result in annual savings exceeding \$8 million, all with payback periods of 3 years or less.

Research affirms that investments in energy efficiency are usually profitable and low-risk while offering an effective way to reduce GHG emissions and manage volatile energy costs.

In 2013, CDP found that four out of five companies earn a higher return on carbon reduction investments than on their overall corporate capital investments, and that energy efficiency improvements earned an average return on investment of 196%, with an average payback period between two and three years. Money saved from energy efficiency can be reinvested into the business, benefiting shareholders.

While Emerson Electric's products help its clients reduce energy usage and climate impacts, our company has not publicly set GHG emissions reductions targets for its own operations. By not setting and pursuing GHG reduction goals, Emerson may not achieve the benefits realized by its peers—a competitive disadvantage for the company and shareholders alike.

Last year, 37% of shares (excluding abstentions) voted in favor of this resolution, a substantial level of support that management should not ignore.

### Greenhouse Gas Reduction – Science-Based Targets

#### United States Steel Corporation

**RESOLVED:** Shareholders request that US Steel adopt time-bound, quantitative, company-wide, science-based goals for reducing total greenhouse gas emissions, taking into account the goals of the Paris Climate Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

**Supporting Statement:** The Paris Climate Agreement, which entered into force November 4, 2016, specifies a goal limiting the increase in global average temperature to “well below 2°C” above pre-industrial levels. To meet this 2-degree goal, climate scientists estimate global greenhouse gas emissions must be reduced 40-70 percent below 2010 levels by 2050; the US target is 26-28 percent below 2005 levels by 2025.

Noting ensuing government action and policy shifts, the World Steel Association names climate change “the biggest issue for the steel industry in the twenty-first century.” And BlackRock, the world’s largest asset manager, states that “climate change risk has arrived as an investment issue” and “regulatory risks are becoming key drivers of investment returns.”

As understanding of climate change impacts develops, companies lacking comprehensive greenhouse gas reduction goals may be being singled out by regulators, the media and activists. In addition to reducing risk, setting corporate greenhouse gas goals can drive innovation, save money, and enhance our company’s reputation.

The steel industry accounts for 7% of global anthropogenic greenhouse gas emissions. The sectoral decarbonization approach suggests an emissions intensity reduction of over 70% by the steel industry by 2050 to achieve 2 degrees. Over half of S&P 500 companies have already set greenhouse gas emissions reduction targets, as have several of US Steel’s peers:

- ArcelorMittal: 8% intensity reduction by 2020 (2007 baseline)
- POSCO: 9% intensity reduction by 2020 (2008 baseline)
- ThyssenKrupp: improve efficiency by 3.5 TWh by 2020, around 1.3 million tons of CO<sub>2</sub> emissions avoided annually.

Companies can achieve greenhouse gas reductions by reducing direct emissions, improving energy efficiency, and using renewable energy. In 2013, CDP found that four of five companies earn a higher return on carbon reduction investments than on their overall corporate capital investments, and that energy efficiency improvements earned an average return on investment of 196%, with an average payback period of 2-3 years. Money saved from energy efficiency can be reinvested into the business, benefiting shareholders.

In CDP’s 2016 report, Nerves of Steel, US Steel ranks last relative to peers. It has the highest emissions intensity among peers, 24% above average. The company has no reported greenhouse gas emissions reduction target or R&D initiatives on breakthrough low emissions technology, unlike many other companies, and has made no recent progress in reducing emissions intensity. If US Steel fails to set and pursue greenhouse gas goals, it may not achieve the benefits realized by its peers—a competitive disadvantage for the company and shareholders alike.

### Greenhouse Gas Reduction – Science-Based Targets

Schweitzer-Mauduit International, Inc.

**RESOLVED:** Shareholders request that Schweitzer-Mauduit International (SWM) adopt timebound, quantitative, company-wide, science-based goals for reducing total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and report by January 1, 2018, at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

**Supporting Statement:** The Paris Climate Agreement, which entered into force November 4, 2016, specifies a goal to limit the increase in global average temperature to “well below 2°C” above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C. To meet the 2-degree goal, climate scientists estimate global GHG emissions must be reduced 40-70 percent below 2010 levels by 2050; the US target is 26-28 percent below 2005 levels by 2025.

Noting government action and policy shifts ensuing from these commitments, BlackRock, the world’s largest asset manager, has stated that “climate change risk has arrived as an investment issue” and that “regulatory risks are becoming key drivers of investment returns.”

Reputational and regulatory risks are expected to increase. As understanding of climate change impacts develops, companies lacking comprehensive GHG reduction goals may be being singled out by regulators, the media and activists. In addition to reducing risk, setting corporate GHG goals can drive innovation, save money, and enhance our company’s reputation.

The pulp and paper industry is the fourth largest industrial user of forestry and a significant emitter of greenhouse gas. In 2011, CEPI published a GHG reduction target to reduce CO<sub>2</sub> emissions of the European pulp and paper industry by 80% by 2050, compared to 1990 levels. As stated in CDP 2015’s Global Forests Report, up to 33% of the carbon mitigation needed annually to keep temperature rise in check could be achieved by addressing deforestation and forest degradation. Over half of S&P 500 companies have already set GHG emissions reduction targets. Several of SWM’ peers have done so as well:

- Klabin S.A.: 185 kg CO<sub>2</sub>eq/t paper absolute reduction in 3 to 5 years
- UPM-Kymmene Corporation: 15% intensity reduction by 2020 (2008 baseline)
- Mondi PLC: 15% intensity reduction by 2030 (2014 baseline)
- Stora Enso Oyj: 35% intensity reduction by 2025 (2006 baseline)

Three key ways for companies to achieve GHG reductions are to: reduce direct emissions; improve energy efficiency; and use renewable energy. In 2013, CDP found that four out of five companies earn a higher return on carbon reduction investments than on their overall corporate capital investments, and that energy efficiency improvements earned an average return on investment of 196%, with an average payback period between two and three years. Money saved from energy efficiency can be reinvested into the business, benefiting shareholders.

If SWM fails to set and pursue GHG goals, it may not achieve the benefits realized by its peers resulting in a competitive disadvantage for the company and shareholders alike.

### Greenhouse Gas Reduction – Science-Based Targets

Gilead Sciences, Inc.

Climate change poses significant risks to our planet and economy, making transparency on how companies are measuring and reducing their carbon footprints imperative. Currently, Gilead neither publicly reports greenhouse gas (GHG) emissions nor discloses goals to reduce them, if any.

The rationale for companies to reduce emissions is compelling. First, it is the right thing to do. In its Fifth Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) stated that GHG emissions in 2050 must be 40% to 70% lower than 2010 levels in order to stabilize global temperatures. Therefore, all companies, including Gilead, have a moral obligation to play a role in reducing emissions.

Second, the Paris Climate Agreement—adopted by representatives from 195 countries in December 2015—invites the private sector and others to scale-up current efforts and support future actions to reduce emissions and/or address the adverse effects of climate change.

Third, addressing operational emissions is typically good for companies' bottom lines. The ability to generate reliable financial returns for shareholders while meaningfully reducing carbon emissions is well-proven. In 2013, CDP found "79 percent of US companies in the S&P 500 that report to CDP earn more on average from investments aimed at reducing carbon emissions than on their overall capital expenditures. The highest returns were from improving energy efficiency. These earned an average ROI of 196 percent, with an average payback period between 2 and 3 years."

Finally, investors are increasingly paying attention to climate-related risk and opportunities. According to the CDP, more than 820 institutional investors with over US\$100 trillion in assets are asking companies to disclose climate change-related information.

As a result, reporting GHG emissions has quickly become best practice. According to the CDP, "more than eighty percent of the world's 500 largest companies established emission reduction or energy-specific targets in the 2014-15 financial year."

In the face of our global climate crisis, reporting alone is not enough. Companies must set science-based goals—aggressive targets consistent with the recommendations of the IPCC—to avert the most damaging impacts of climate change. According to the Science Based Targets Initiative, approximately 200 companies representing \$4.8 trillion in combined market value have now committed to setting science-based goals. Included in that list are Gilead's peers AstraZeneca, Pfizer and GlaxoSmithKline.

**RESOLVED:** Shareholders request Gilead adopt time-bound, quantitative, company-wide goals for reducing total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report at reasonable cost and omitting proprietary information on its plans to achieve these goals.

**Supporting Statement:** Without developing and publicly disclosing science-based GHG emission reduction goals, Gilead is out of step with its peers. By setting such goals, the Proponents believe Gilead can address the associated risks and reap potential opportunities, benefiting the company and the planet. Therefore, Proponents recommend Gilead create a multi-year strategy and demonstrate executive-level commitment to address its GHG emissions.

### Greenhouse Gas Reduction – Science-Based Targets

Danaher Corp.

*A similar resolution was submitted to Nucor Corporation.*

**RESOLVED:** To help reduce the profound social harm from climate change, shareholders request that Danaher Corporation adopt time-bound, quantitative, company-wide, science-based goals for reducing total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

**Supporting Statement:** In December 2015, 195 countries adopted the Paris Agreement, which entered into force on November 4, 2016. Under this agreement, countries agreed to limit the increase in global average temperature to “well below 2°C” above pre-industrial levels and pursue efforts to further limit the temperature increase to 1.5°C. In order to meet the 2° goal, climate scientists estimate it is necessary to reduce global GHG emissions 40-70 percent below 2010 levels by 2050; the US target is 26-28 percent below 2005 levels by 2025.

When discussing climate-related financial risk, Mark Carney, Chair of the Financial Stability Board, recently said “to price financial risks and opportunities correctly, they [investors] need to weigh firms’ strategies against...public policy,...technological advances, and ... physical risks”. Echoing this finding, in “Adapting portfolios to climate change: Implications and strategies for all investors,” BlackRock highlights the significant risks and opportunities climate change provides to investors and companies from the physical, technological, regulatory, and social impacts. As the consequences of climate change become more widespread, media, activists, and regulators may single out companies without comprehensive GHG reduction goals leading to increased reputational concerns and costs. According to the World Economic Forum, more than 25% of a firm’s market value is directly attributable to its reputation.

Setting corporate GHG goals can drive innovation and save money, particularly for industrial companies that face significant risks across their diverse operations and geographic locations. Many of the world’s largest companies have committed to setting robust GHG goals aligned with the 2°C pathway (e.g., Honda, Sony, Pfizer, Kellogg, etc.). Large global conglomerates such as 3M have set ambitious GHG reduction targets and significant energy efficiency goals.

Key ways for companies to achieve GHG reductions are to reduce direct emissions, improve energy efficiency, and use renewable energy. In “The 3% Solution: Driving Profits Through Carbon Reduction,” CDP found that four out of five companies earn a higher return on carbon reduction investments than on their overall corporate capital investments, and that energy efficiency improvements earned an average return on investment of 196%, with an average payback period between two and three years. Money saved from energy efficiency can then be reinvested into the business.

While Danaher Corporation reports progress on other key environmental risks including water use and waste recycling, the company may not achieve the benefits realized by its peers without disclosing GHG emissions, setting GHG goals, and reporting on progress. This failure to publicly address and/or disclose this critical issue leads to a competitive disadvantage for the company and shareholders alike.

### Greenhouse Gas Reduction – Science-Based Targets

#### Tractor Supply Company

**RESOLVED:** Shareholders request the Tractor Supply Company adopt quantitative, time-bound, company-wide, science-based goals for reducing total greenhouse gas (GHG) emissions from products and operations, and issue a report at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

**WHEREAS:** In order to mitigate the worst impacts of climate change, the IPCC estimates that a 50 percent reduction in GHG emissions globally is needed by 2050 (relative to 1990 levels) to stabilize global temperatures, entailing a U.S. target reduction of 80 percent

The costs of failing to address climate change are significant and according to a 2015 report by Citigroup, could lead to a \$72 trillion loss to global GDP. Risky Business, an analysis of climate change impact, finds serious economic effects including property damage, shifting agricultural patterns, reduced labor productivity, and increased energy costs. These effects could substantially impact a company's business operations, revenue, or expenditure.

Setting GHG emissions targets is widespread among U.S. companies and can have positive financial outcomes. Presently, 60 percent of Fortune 100 companies have GHG reduction commitments, renewable energy commitments, or both.

Investors with \$95 trillion in assets have supported the Carbon Disclosure Project (CDP) which received responses from more than 5,500 companies in 2015. Tractor Supply Company declined to participate in the 2015 CDP survey and has not publicly set GHG emissions goals.

A report published by WWF, CDP, and McKinsey & Company, *The 3% Solution: Driving Profits Through Carbon Reduction*, found that companies with GHG targets achieved an average of 9% better return on investment than companies without targets. Additionally, 79% of companies in the S&P 500 that report to CDP earn a higher return on their carbon reduction investments than on their overall corporate capital investments. These goals enable companies to reduce costs, build resilient supply chains, and manage operational and reputational risk.

Currently Tractor Supply Company does not disclose its GHG emissions, carbon reduction efforts, or any climate related goals. We are concerned Tractor Supply Company may be lagging behind industry peers. Lowe's and Home Depot have already adopted several quantitative climate goals. For example, Lowe's plans to reduce scope 1 & 2 emissions 20% by 2020. Home Depot has a public goal to reduce energy use 20% by 2020 and to increase renewable energy procurement to 135 megawatts per year. Through these goals Home Depot has reported a 17% reduction in electricity use in just the last three years. By not setting and pursuing GHG reduction goals Tractor Supply Company may not achieve the benefits realized by its peers—a competitive disadvantage for the company and shareholders alike.

Tractor Supply Company's response to date on how it is managing GHG emissions and climate related risks and opportunities falls short. We believe this may have negative consequences for Tractor Supply Company and that it should address these issues with consideration of IPCC guidance.

### **Greenhouse Gas Reduction – Science-Based Targets**

Verizon Communications Inc.

**RESOLVED:** Shareholders request Verizon Communications senior management, with oversight from the Board of Directors, issue a report assessing the feasibility of adopting science-based greenhouse gas (GHG) reduction targets consistent with the 2-degree scenario.

**WHEREAS:** In December 2015, representatives from 195 countries adopted the Paris Climate Agreement, which specifies a goal to limit the increase in global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit temperature increases to 1.5°C. In order to meet this goal, climate scientists estimate it is necessary to reduce global emissions by 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

The costs of failing to address climate change are significant and according to a 2015 report by Citigroup, could lead to a \$72 trillion loss to global GDP. Risky Business, a recent analysis of climate change impact, finds serious economic effects including property damage, shifting agricultural patterns, reduced labor productivity, and increased energy costs. These effects could substantially impact a company's business operations, revenue, or expenditure.

In 2013, CDP found that four out of five companies earn a higher return on carbon reduction investments than on their overall corporate capital investments, and that energy efficiency improvements earned an average return on investment of 196%, with an average payback period between two and three years. Money saved from energy efficiency and clean energy investments can be reinvested into the business, benefiting shareholders.

Renewable energy will need increasingly to replace fossil fuels in the supply of electricity, with the management of this variable energy source dependent on adequate storage capacity. The rapid growth of the digital economy has given the telecommunications sector the opportunity to drive significant change in the demand and consumption of clean energy. With the continued growth of data usage and the corresponding demand for more energy, there is a stronger emphasis on the need for companies to diversify their energy sources. The average price of wind energy installed in 2014 was 2.5 cents per kWh according to Lawrence Berkeley National Laboratory. Electricity costs from sources such as wind and solar have declined rapidly and are now cheaper in some regions than fossil fuel-based energy.

A growing number of companies are aligning their emissions reduction targets with climate science. BT Group, a leading telecommunications company and Verizon peer, is one the 196 companies who have made this commitment. BT Group has also committed to sourcing 100% of electricity from renewable sources by 2020. By setting ambitious climate goals BT group has achieved an 80% reduction in absolute carbon emissions 3 years early and realized £2.147 million in savings.

Verizon Communications does not currently have carbon reduction or clean energy goals that are based on climate science. By setting science-based commitments, the company can strengthen its climate change strategy, reduce costs, manage operational and reputational risk, and create new products and services.



### Feasibility of GHG Disclosure and Management

C.H. Robinson Worldwide, Inc.

**RESOLVED:** Given the risks to society and the transport sector created by climate change, shareholders request that C.H. Robinson issue a report assessing the feasibility and benefits of measuring, monitoring, and managing greenhouse gas (GHG) emissions associated with our company's services, taking into account the goals of the Paris Climate Agreement.

**Supporting Statement:** In December 2015, 195 countries adopted the Paris Climate Agreement, which entered into force on November 4, 2016, and which specifies a goal to limit the increase in global average temperature to "well below 2°C" above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C. In order to meet the 2-degree goal, climate scientists estimate it is necessary to reduce global GHG emissions 40-70 percent below 2010 levels by 2050; entailing a U.S. reduction target of 80 percent.

The costs of failing to address climate change are significant, and according to a 2015 report by Citigroup, could lead to a \$72 trillion loss to global GDP. Risky Business, a recent analysis of climate change impacts, finds serious economic effects including property damage, shifting agricultural patterns, reduced labor productivity and increased energy costs. These effects could substantially impact C.H. Robinson's operations, revenues, or expenditures.

Larry Fink, CEO of the world's largest asset manager BlackRock, recently wrote to CEO's of all S&P 500 companies: "Over the long-term...ESG issues... [including] climate change...have real and quantifiable financial impacts." BlackRock staff has also stated that "climate change risk has arrived as an investment issue" and that "regulatory risks are becoming key drivers of investment returns."

In addition to reducing risks, setting corporate GHG goals can: drive innovation, save money, and enhance our company's reputation. Measuring and reporting on GHG emissions can likewise help C.H. Robinson's customers with their own emissions management strategies and programs. Over half of S&P 500 companies have already set GHG emissions reduction targets, and 80 percent issue sustainability reports, many of which include GHG emissions disclosure.

Given the challenges of directly reducing emissions from transportation, we suggest C.H. Robinson analyze the feasibility of offering customers the option of paying to purchase GHG emissions offsets, or other innovative solutions.

Peers, such as Expeditors International, are already measuring and reporting GHG emissions to CDP, and are helping to measure and reduce customers' transportation carbon footprint.

C.H. Robinson's core value proposition to customers of improving transport efficiency makes this request particularly important because disclosing and managing GHG emissions will reveal and make available to customers a new set of benefits associated with using C.H. Robinson's services.

### Greenhouse Gas Reduction – Renewable Energy

#### CVS Health Corp

*Similar resolutions were submitted to Kroger Co., PepsiCo, Inc., United Parcel Service, Inc.*

WHEREAS: To limit the average global temperature increase to well below 2 degrees Centigrade, a goal shared by nearly every nation, the Intergovernmental Panel on Climate Change (IPCC) estimates that the United States needs to reduce annual greenhouse gas (GHG) emissions approximately 80 percent. This will involve a significant shift to renewable energy.

Costs of generating electricity from sources like wind and solar have been declining rapidly and are influencing companies' response to climate change. The EPA currently lists 78 Fortune 500 companies as purchasing renewable energy (or certificates).

CVS Health Corporation ("CVS" or "the Company") has taken halting steps in this direction. According to the 2015 Corporate Social Responsibility report, the Company's renewable energy program includes solar panels at five stores and a sixth store under construction. CVS states that it is "constantly evaluating opportunities through renewable technologies, renewable energy credits, power purchase agreements, and tax credits."

In its response to the 2016 CDP Climate Change questionnaire, CVS indicates that it will set a science-based target for reducing greenhouse gas emissions in line with IPCC guidance.

Yet CVS still lacks a quantitative target for renewable energy sourcing and/or production.

Investors are concerned that CVS may be behind other large corporations which are developing quantitative renewable energy goals in response to climate change. The RE100, a coalition pushing companies to switch to 100 percent renewable energy, now includes Apple, General Motors, Johnson & Johnson, Nestle, Procter & Gamble, Unilever, and Walmart. Walmart has a goal of sourcing 100 percent of its electricity from renewable energy and an interim target "to produce or procure 7,000 GWh of renewable energy globally by the end of 2020."

Investors seek clarity on how renewable energy plays into CVS's overall response to climate change. Failure to set a renewable energy target may impede the Company's GHG reduction strategy. By setting quantitative goals on renewable energy, our Company can strengthen its current climate change strategy, respond ably to energy market changes, move closer to achieving GHG reductions, and help meet the global need for cleaner energy.

RESOLVED: Shareholders request that CVS produce a report assessing the climate benefits and feasibility of adopting enterprise-wide, quantitative, time-bound targets for increasing CVS's renewable energy sourcing and/or production. The report should be produced at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information. This proposal does not prescribe matters of operational or financial management.

Supporting Statement: Shareholders request that the report consider and analyze options and scenarios for achieving renewable energy targets, for example by using on-site distributed energy, off-site generation, power purchases, and renewable energy credits, or other opportunities management would like to consider, at its discretion.

### **Methane Emissions – Measure Leakage & Disclose**

#### Centerpoint Energy

WHEREAS, Unlike other companies operating gas pipelines like Spectra Energy, CenterPoint Energy has not disclosed greenhouse gas emissions since 2011. The company also does not disclose strategies to mitigate risk associated with the emission of methane gas from its operations.

We believe that reporting on environmental risk management makes a company more responsive to its shareholders who are seeking information on how the company is navigating growing regulation, evolving legislation, and increasing public expectations around how corporate behavior affects the environment.

Companies in the gas industry face risk due to unintended emissions of methane gas from their operations. According to the Environmental Protection Agency (EPA), the oil and gas sector in the United States is the largest industrial source of methane pollution and leaks more than 7 million metric tons of methane emissions each year, enough to meet the cooking and heating needs of over 5 million American homes.

Methane gas emissions are a significant contributor to climate change. According to the Intergovernmental Panel on Climate Change, methane is a climate pollutant 86 times more powerful than carbon dioxide over a 20 year period. Methane is responsible for one quarter of the global warming we feel today.

Regulation surrounding methane emissions is growing. In 2014, Colorado became the first state in the United States to directly regulate methane emissions from oil and natural gas operations. In August 2015, the EPA proposed the first-ever direct regulation of methane pollution for new and modified sources in the oil and gas industry.

Methane emissions also represent the loss of a saleable product. A recent analysis by the Rhodium Group found that in 2012, about 3.5 trillion cubic feet of unburned natural gas, worth about \$30 billion, was emitted globally from the oil and gas industry as a result of leaks and intentional releases.

Low cost solutions to address methane reductions exist. A 2014 report by the consulting firm ICF International found that a 40 percent reduction in methane emissions by 2018 would cost \$108 million a year in operational expenditures, working out to roughly one penny per thousand cubic foot of gas produced on average in the United States.

**RESOLVED:** Shareholders request that the Board of Directors issue a report estimating greenhouse gas emissions from operations, and describing how the company is monitoring and managing its methane emissions. The requested report should include a company-wide review of the policies, practices, and metrics related to CenterPoint Energy's methane emissions risk management strategy. The report should be prepared at reasonable cost, omitting proprietary information, and made available to shareholders by December 31, 2017.

### **Methane Emissions – Measure Leakage & Disclose**

#### **Exxon Mobil Corporation**

WHEREAS: Methane emissions contribute significantly to climate change, with an impact of roughly 87 times that of carbon dioxide over a 20 year period. Methane emissions and leaks from the oil and gas sector could erase the climate benefits of burning oil or gas instead of coal. Methane emissions can occur from venting, flaring, and leaking throughout oil and gas operations. A recent study indicates methane emissions from the oil and gas sector are 20 to 60 percent higher than previously thought. (Nature, October 2016).

The International Energy Agency has identified minimizing methane emissions from upstream oil and gas production as one of four key global greenhouse gas mitigation opportunities to keep the world below a 2° Celsius temperature increase. (WEO Special Report 2013). In the United States, the oil and gas industry was responsible for a third of all methane emitted in 2014.

Cost effective technological solutions exist and can be deployed immediately to substantially reduce methane emissions in the oil and gas industries. (ICF International). A small number of “superemitter” leaks may produce a disproportionately large portion of emissions. With advances in infrared, drone, and leak detection technology, it is well within the ability of companies to find and dramatically reduce their methane leaks.

A 2016 study found Exxon was the second highest methane emitter from onshore production in 2014. (Center for American Progress). Despite the scale of its emissions, Exxon fails to provide investors with sufficient information on its methane emissions and leak detection and repair program to enable them to assess the company’s methane risk. In the 2016 edition of “Disclosing the Facts”, an investor oriented assessment ranking companies on hydraulic fracturing reporting practices, Exxon scored zero points on methane leak detection and repair-related questions.

Given the intense and growing public scrutiny of methane emissions, Exxon must demonstrate to investors that it is taking action to reduce its methane risk. Disclosure of specific management practices and their impacts, especially with respect to leak detection, is the primary means by which investors can assess how it is managing this important risk.

While Exxon provides generalized information on its worldwide hydraulic fracturing policies, including broad statements about methane reduction, Exxon does not provide performance information needed to allow investors to assess Exxon’s methane leak detection and repair practices based on objective, quantitative analyses comparable to other companies in the sector.

RESOLVED: Shareholders request that Exxon report annually to shareholders (at reasonable cost, omitting proprietary information) and using quantitative indicators, the company’s actions beyond regulatory requirements to minimize methane emissions, particularly leakage, from the company’s hydraulic fracturing operations.

Supporting Statement: Proponents request the report include:

- the scope of its leak detection programs, including specific areas and proportion of facilities assessed;
- methodologies used to detect leaks in those areas;
- the frequency at which those areas and operations are monitored and leaks repaired;
- methane emission rates from drilling, completion, and production operations; and
- methane emissions reduction targets.

### **Methane Emissions – Measure Leakage & Disclose**

#### **Sempra Energy**

WHEREAS: Methane emissions are a significant contributor to climate change, with an impact of roughly 84 times that of CO<sub>2</sub> over a 20 year period. Research indicates that methane leaks from gas production, transportation, storage, and delivery could erase the climate benefits of burning methane instead of coal. A recent study indicates methane emissions from the oil and gas sector are 20 to 60 percent higher than previously thought. (Nature, October 2016)

While utilities are increasingly reliant on the safe, reliable, and efficient delivery of gas throughout the value chain, the 2015 failure of a gas injection well at Sempra's subsidiary, Southern California Gas Company, at Aliso Canyon Storage Field in Los Angeles, revealed major vulnerabilities in the climate risk of natural gas storage facilities. There are over 400 such gas storage facilities around the country. According to the Energy Information Administration (EIA), over 80 percent of these facilities are storing gas in depleted oil wells, many drilled decades ago.

Despite the catastrophe at Aliso Canyon, and despite So Cal Gas' public statement that the root cause analysis report on the cause of the blowout will not be available until some point in 2017, the Company sought governmental approval to "replenish" the natural gas supply at the Aliso Canyon facility.

Shareholders are concerned that there is obvious and inherent risk in restoring natural gas to a facility that suffered a catastrophic failure before the cause of such failure is ascertained. Shareholders recognize that Sempra has taken many steps to improve the facility's infrastructure and demonstrate its "fitness for service". Yet, without identifying the root cause of the Aliso Canyon catastrophe, it does not appear possible to determine whether the appropriate remedies have been taken to prevent a similar climate catastrophe in the future.

Though Sempra has pledged to off-set the Aliso Canyon gas leak's climate impacts, and is a leader and innovator amongst utilities on low carbon energy, Sempra shareholders require greater transparency on the management of its methane emissions and risk enterprise-wide, including not only storage but also natural gas transmission and delivery across its pipeline infrastructure. While the Company discloses some constructive methane management policies for its SoCalGas subsidiary, Sempra lacks comprehensive methane management strategy disclosures across its subsidiaries.

RESOLVED: Shareholders request that Sempra issue a report disclosing the Company's enterprise-wide policies for assessing, monitoring, and reducing its methane emissions; describing the climate change risk its methane emissions creates for the Company; and discussing the feasibility of setting quantitative methane emission reduction targets across its operations. The report should omit proprietary information and be produced at reasonable cost.

### **Methane Emissions – Measure Leakage & Disclose**

Dominion Resources, Inc.

*A similar resolution was submitted to Kinder Morgan, Inc.*

WHEREAS: Research indicates methane leaks from gas operations could erase the climate benefits of reducing coal use. Methane emissions are a significant contributor to climate change, with an impact on global temperature roughly 84 times that of CO<sub>2</sub> over a 20 year period. Leaked methane represented 30 billion dollars of lost revenue (3 percent of gas produced) in 2012. Yet, an October 2016 study published in Nature indicates methane emissions from the oil and gas sector are 20 to 60 percent higher than previously thought.

While utilities are increasingly reliant on the safe, reliable, and efficient delivery of gas along the value chain, the 2015 failure of a gas injection well at Southern California Gas Company's Aliso Canyon Storage Field in Los Angeles revealed major vulnerabilities in the maintenance and safety of natural gas storage facilities. The incident exposed both a lack of oversight and contingency planning in the face of a well blowout.

The casing failure of well SS-25 precipitated the release of over 100,000 tons of methane into the atmosphere, resulting in the relocation of 8,000 families and jeopardizing California's mitigation objectives under the state's climate law AB-32. Relocation, clean up, and well containment costs have soared to over 700 million dollars to date, with criminal filings and civil lawsuits against SoCal Gas pending.

There are over 400 gas storage facilities around the country. According to the Energy Information Administration (EIA), over 80 percent of these facilities are also located in depleted oil wells, many drilled decades ago. Dominion has storage facilities that may face similar risks, as it is estimated to hold the 3rd highest volume of natural gas in the country.

A failure by companies to proactively inspect, monitor, and upgrade critical transportation and storage infrastructure with the aim of reducing methane emissions may invite more rigorous regulations. The EPA released new rules in May 2016 to reduce oil and gas sector methane emissions by 11 million metric tons by 2025.

Poor oversight of gas infrastructure, including storage facilities, has a direct economic impact on Dominion, as lost gas is not available for sale. We believe a strong program of measurement, mitigation, target setting and disclosure reduces regulatory and legal risk, maximizes gas for sale, and bolsters shareholder value.

RESOLVED: Shareholders request Dominion issue a report (by October 2017, at reasonable cost, omitting proprietary information) reviewing the Company's policies, actions and plans to measure, monitor, mitigate, disclose, and set quantitative reduction targets for methane emissions resulting from all operations, including storage and transportation, under the Company's financial or operational control.

Supporting Statement: We believe the report should include the leakage rate as a percentage of production, throughput, and/or stored gas; management of high risk infrastructure; best practices; worst performing assets; environmental impact; reduction targets and methods to track progress over time. Best practice strategy would utilize real-time measurement and monitoring.

### **Methane Emissions – Measure Leakage & Disclose**

#### Occidental Petroleum Corporation

WHEREAS: Research indicates methane leaks from gas operations could erase the climate benefits of reducing coal use. Methane emissions are a significant contributor to climate change, with an impact on global temperature roughly 84 times that of CO<sub>2</sub> over a 20 year period. Leaked methane represented 30 billion dollars of lost revenue (3 percent of gas produced) in 2012. Yet, an October 2016 study published in Nature indicates methane emissions from the oil and gas sector are 20 to 60 percent higher than previously thought.

Methane represents over 25 percent of 20-year CO<sub>2</sub> equivalent emissions according to the Environmental Protection Agency (EPA). And emissions are projected to increase more than 20 percent without action by 2030 (Rhodium).

Domestic flaring has propelled the U.S. into the top 10 gas flaring countries globally. Approximately 29 percent of gas produced in the Bakken is flared and flaring in North Dakota more than doubled between May 2011 and May 2013, with 1 billion dollars' worth of gas lost in 2012.

Studies from the National Oceanic and Atmospheric Administration (NOAA), Harvard University and others estimate highly varied methane leakage rates as a percentage of production. The attendant uncertainty surrounding methane leakage has, according to the New York Times, made it "the Achilles' heel of hydraulic fracturing."

The International Energy Agency (IEA) points to managing methane emissions as one of the five key measures for effectively addressing climate change, recommending actions that "could stop the growth in global energy-related emissions by the end of this decade at no net economic cost." Policies such as eliminating venting, minimizing flaring and setting targets on emissions "rely only on existing technologies" and "would not harm economic growth."

A failure by companies to proactively reduce methane emissions may invite more rigorous regulations. The EPA released new rules in May 2016 to reduce oil and gas sector methane emissions by 11 million metric tons by 2025. Some individual states have already adopted stricter regulations.

Methane leakage and flaring has a direct economic impact on Occidental Petroleum, as lost and flared gas is not available for sale. We believe a strong program of measurement, mitigation, target setting and disclosure reduces regulatory and legal risk, maximizes gas for sale and bolsters shareholder value.

**RESOLVED:** Shareholders request Occidental Petroleum issue a report (by October 2017, at reasonable cost, omitting proprietary information) reviewing the Company's policies, actions, and plans to measure, disclose, mitigate, and set quantitative reduction targets for methane emissions and flaring resulting from all operations under the company's financial or operational control.

**Supporting Statement:** We recommend including the methane leakage rate as a percentage of production, the quantity of flared and vented hydrocarbons, how the Company is measuring and mitigating emissions, best practices, worst performing assets, quantitative targets, and methods to track progress over time. Best practice strategy would utilize real-time measurement and monitoring technologies.

### **Methane Emissions – Measure Leakage & Disclose**

EOG Resources, Inc.

**RESOLVED:** Shareholders request EOG Resources (EOG) adopt time-bound, quantitative, company-wide goals for reducing methane emissions and issue a report, at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

**WHEREAS:** Methane, the primary component of natural gas, is a greenhouse gas (GHG) with over 80 times the climate impact of carbon dioxide over a 20-year period. Methane emissions from the oil and gas industry constitute the largest industrial source of methane emissions in the U.S.

In 2015, EOG's methane emissions intensity rate was 0.55%. ONE Future (members include peer companies Apache, Hess, and Southwestern), an EPA recognized industry organization striving to improve efficiency across the natural gas value chain, has set methane intensity goals for the gas production and gathering segment at 0.46% and 0.36% by 2020 and 2025 respectively – reductions of 16.4% and 35.5% compared to the 2012 baseline.

There is additional concern that methane emissions from fossil fuel production may actually be much higher than previously thought – one recent study says 20 – 60% higher. A 2015 study measured oil and gas methane emissions from one region in Texas where EOG operates to be 90% greater than estimates.

While EOG qualitatively describes the use of certain technologies to reduce methane emissions, it has not set a reduction goal or demonstrated continuous improvement in methane emissions intensity rate. Proponents believe a methane reduction goal would be consistent with the company's stated philosophy: "Our safety and environmental management processes are based on a goalsetting philosophy. The company sets safety and environmental expectations and provides a framework within which management can achieve safety and environmental goals in a systematic way."

Setting GHG reduction goals is also a good business practice. A report published by WWF, CDP, and McKinsey & Company, found that companies with GHG goals achieved 9% better return on investment, on average, than companies without targets. A report prepared by ICF International, drawing on industry input, identified proven control strategies that can cut oil and gas industry methane emissions by 40% at an average annual cost of less than one cent per thousand cubic feet of produced natural gas.

In May 2016, the EPA released a final rule requiring oil and gas companies to limit methane emissions from new and modified facilities and began the process of developing a rule for existing facilities. This regulation is part of the nation's goal to reduce methane emissions from the industry 40 – 45 percent below 2012 levels by 2025.

Proponents believe a reduction goal will drive necessary methane emissions reductions, minimize product loss, and allow EOG to exceed stakeholder expectations.



### **Methane Emissions – Measure Leakage & Disclose**

WGL Holdings Inc

WHEREAS: As You Sow files this resolution on behalf of WGL Holdings investors requesting reporting on the financial risk the Company's leaks of 'methane', a key greenhouse gas, pose to investors. WGL's primary business is the delivery of natural gas to customers. The main chemical component of natural gas is methane. When methane leaks from WGL's aging pipeline infrastructure, it creates significant climate risk, and the risk of devastating explosions beneath the streets of Washington D.C., the nation's capital.

Scientists estimate that the earth could race pass the maximum level of global warming for a livable world — 2 degrees Celsius — as soon as the 2030. Methane leaks, which have 87 times the climate change impact of carbon dioxide in the first 20 years of its release, are an important contributor to global warming, and increase the speed of catastrophic climate change. WGL's methane leaks worsen climate change, and expose the company to climate-change related regulatory risk. Indeed, in May 2016, the Environmental Protection Agency issued its first methane regulations.

Further, as long as WGL's aging pipeline infrastructure leaks a significant amount of methane, its over one million customers are at risk of becoming victims of a catastrophic explosion. Between 2005 and 2015, excluding natural gas extraction and large pipelines, there were 2,085 explosion "incidents," in the nation's natural gas distribution system, which killed 121 people, injured 506, and cost companies over \$815M (Pipeline and Hazardous Materials Safety Administration). Natural gas infrastructure explosions also commonly cause natural gas spills that contaminate land and waterways, adding additional dimensions of risk for the Company.

In August 2016, gas leaks in WGL's service territory ignited, causing an explosion that destroyed two apartment buildings in Silver Springs, Maryland; killed 7 people; and injured 40 more. In comments to the press, residents claim to have smelled natural gas in the region for weeks before the explosion.

WGL's 40 year plan to replace its risky pipeline infrastructure falls far short of the urgent action needed to protect its shareholders from immediate, potentially material climate risk, and the risk of catastrophic explosions in cities where it operates.

THEREFORE, BE IT RESOLVED: As You Sow, on behalf of WGL shareholders, requests that the company develop a report quantifying the financial risk that methane leaks in its natural gas infrastructure pose to the Company and its investors. Shareholders request that the report estimate a) the likely cost of climate change related regulation of its methane leaks, and b) estimate the likelihood, brand damage, and cost of potential catastrophic explosions. The report should exclude proprietary information and be published by September 2018.

### **Methane Emissions – Measure Leakage & Disclose**

#### **Southern Company**

WHEREAS: Methane, the primary chemical component of natural gas, is a significant contributor to climate change, and has a global warming impact 87 times more potent than carbon dioxide in the first 20 years of release. Methane leaks increase the speed of climate change and escalate climate change risks.

Methane leaks exist throughout the natural gas supply chain due to a variety of factors including aged infrastructure. As a company's infrastructure expands, the potential for methane leaks escalate. Recent natural gas investments by Southern company — including the acquisition of natural gas company AGL Resources in 2015 and the purchase of a 50% stake in Kinder Morgan's Southern Natural Gas pipeline system in 2016 — have made natural gas services a core business of Southern Company. Southern Company is now the largest natural gas consumer in the Southeast, and its natural gas storage facilities were estimated to hold the 4th highest volume of natural gas in the U.S. This infrastructure expansion comes with significant risk of climate risk due to methane leaks.

The 2015 failure of a gas injection well at Southern California Gas Company's Aliso Canyon Storage Field revealed major vulnerabilities in the maintenance and safety of natural gas infrastructure, particularly natural gas storage facilities. The incident was the largest methane leak in U.S. history with a climate impact equivalent to 1 million cars driven for a year. Relocation of affected residents, clean up, and well containment costs have soared to over \$700 million to date, with criminal and civil legal action pending. Southern Company's storage operations may face similar risks,

Failure to proactively address methane leaks in its distribution and storage infrastructure raises the risk of explosions, and exacerbates climate change impacts such as those already harming the Southeast and Southern Company's customers, assets, and service territory. Severe coastal flooding is harming Florida and Louisiana; droughts intensify forest fires, like those in Tennessee; and costly storms are occurring with greater intensity and frequency. The public too is increasingly concerned about companies that fail to take climate emission reduction actions.

Despite the increasing climate and regulatory risk to Southern Company associated with its natural gas infrastructure, Southern Company discloses almost no information regarding the scope of its methane emissions or the steps it is taking to reduce emissions and manage such risks. Investors require rigorous information to make informed investment decisions; specific, quantitative disclosures provide assurance that companies have appropriate oversight and accountability practices in place to track—and therefore to mitigate—impacts of their operations.

RESOLVED: Shareholders request that Southern Company issue a report describing how it will reduce climate risk by controlling its methane emissions, including disclosing its current enterprise-wide methane emissions and the practices used by the Company to measure, monitor, and mitigate methane emissions. The report should be produced at reasonable cost, omitting proprietary information.

### Business Plan for 2C Warming Scenario

#### Southern Company

WHEREAS: The 2014 Intergovernmental Panel on Climate Change (IPCC) Synthesis Report warns that global warming will have “severe, pervasive and irreversible impacts for people and ecosystems”. Costs of failing to address climate change are significant and are estimated to have an average value at risk of \$4.2 trillion globally. To mitigate the worst impacts of climate change and limit warming to below 2 degrees Celsius (2C), as affirmed by the Paris Agreement, the International Energy Agency (IEA) estimates that US energy utilities overall need to limit their carbon dioxide emissions to 100g/kWh by 2030, moving toward a 90% global emissions reduction by 2050.

In June 2016, the credit rating agency Moody’s indicated that they would begin analyzing carbon transition risk based on scenarios consistent with the Paris Agreement, noting the high carbon risk exposure of the power sector.

Southern Company has had a proactive response toward the low-carbon transition by adding more than 4,000 MW of renewable projects since 2012, developing “clean coal” technology, adding nuclear energy generation, and completing the issuance of investment-grade Green Bonds to finance renewable energy valued at \$1.2 billion.

However, accelerated efforts are necessary: Southern is the third largest carbon dioxide emitter in the country and ranked 26th out of 29 utility companies for life cycle energy efficiency savings in a benchmarking report produced by Ceres in 2016.

Regulatory and technology changes are underway that will profoundly impact the utility business model. Meanwhile, developments in new technologies are leading to sharply declining costs, increasing competitiveness of renewable energy generation and storage.

Rates must be designed for maximum flexibility to achieve climate objectives while providing just and universal access to electricity services, including affordable services to low-income customers.

Recognizing the unique constraints on innovation for the low-carbon transition in each regulated market, Southern’s subsidiary companies can demonstrate a willingness to work with regulators to develop frameworks to catalyze the low-carbon transition. In Minnesota, utilities, rate-payers, and regulators collaborate to map the transition to a regulatory model that enables innovation, customer options, and realizes public policy goals.

Proponents offer this supportive but stretching resolution to urge Southern to position itself to thrive for the long-term in a decarbonized energy sector.

RESOLVED: Shareholders request that Southern Company commit by November 30, 2017 to issue a report at reasonable cost and omitting proprietary information, on Southern’s strategy for aligning business operations with the IEA 2C scenario, while maintaining the provision of safe, affordable, reliable energy.

Supporting Statement: Proponents believe this report should include:

- Strategic goals and milestones for reducing emissions in accordance with IEA emission reduction targets for US utilities.
- Plans to integrate technological, regulatory, and business model innovations such as: distributed energy resources (storage and generation), demand response, smart grid technologies, increased customer energy efficiency, and corresponding revenue models and rate designs.
- Information on aligning incentives, research and development, public policy positions, engagement strategy with state regulators, and board governance with Southern’s business plan compatible with this strategy.

### Business Plan for 2C Warming Scenario

#### Hess Corporation

*A similar resolution was submitted to Anadarko Petroleum Corp.*

WHEREAS: Climate change, and actions to mitigate and adapt to it, will meaningfully affect the demand for, and costs associated with, carbon-based fuels.

Global action on climate change is accelerating. In November 2016, the Paris Agreement entered into force. Its goal of keeping global temperature rise well below 2 degrees Celsius is already shaping national and global policy decisions.

According to the International Energy Agency (IEA), transportation accounts for more than one fifth of global carbon dioxide emissions, requiring rapid adoption of new technologies to keep temperatures within limits.

The IEA forecasts that electrification of transport will play a critical role in achieving required greenhouse gas reductions. In October 2016, Fitch Ratings described electric cars as a “resoundingly negative” threat to the oil industry and urged energy companies to plan for “radical change.” The CEOs of Statoil and Shell recently predicted that peak demand for oil may occur as early as the 2020s due to electric vehicle adoption. This is consistent with the IEA’s “450 Scenario” which projects global oil demand peaking in 2020.

In June 2016, Moody’s credit rating agency indicated it would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, noting the high carbon risk exposure of the energy sector. The Financial Stability Board’s Task Force on Climate Related Financial Disclosures has indicated that it favors such analysis.

The recent prolonged downturn in oil prices, where oil supplies outpaced demand, underscores the risks associated with investing in complex, high-cost projects such as deep water drilling. This was highlighted in a 2016 report “Unconventional Risks: the Growing Uncertainty of Oil Investments.” (As You Sow). Uncertainty around future demand growth in light of climate change has led competitors like ConocoPhillips to test capital planning decisions against multiple carbon-constrained scenarios to avoid the risk of stranded assets.

The increasing likelihood of public policy action, and the speed of technological advancements to address climate change, make it vital that Hess provide investors with more detailed analyses of the potential risks to its business under a range of climate scenarios. While Hess’ website notes generically that “regulatory changes could significantly increase our capital expenditures and operating costs or could result in delays to or limitations on our exploration and production activities,” it has not presented analysis allowing investors to assess the resilience of our company’s portfolios under various carbon-constrained scenarios.

RESOLVED: Shareholders request that by 2018 Hess publish an analysis, at reasonable cost and omitting proprietary information, of long term impacts to the Company’s oil and gas reserves and resources under a scenario in which demand reduction for oil and gas results from carbon restrictions or related rules or commitments adopted by governments consistent with the Paris Agreement’s 2 degree C global warming target. The reporting should assess the resilience of the company’s portfolio of assets through 2040 and the financial risks associated with such a scenario.

### Business Plan for 2C Warming Scenario

#### First Energy

WHEREAS: The use of coal, the most carbon intensive fossil fuel, is a key driver of climate change; its use must be dramatically reduced to meet carbon reduction goals set forth in the 2015 Paris Agreement to 2 degrees Celsius. In addition to global carbon reduction commitments, coal is becoming uncompetitive due to other climate-related factors:

Lower carbon technology deployed at scale. “Gas-fired power plants and wind farms have pushed prices down on regional wholesale markets in which [FirstEnergy’s] power plants must compete.” (“FirstEnergy to sell or close power plants if Ohio, Pennsylvania do not return to regulated rates”, Cleveland.com, November 2016)

Large utility customers moving to clean energy. As of November 2016, 83 companies including Apple, GM, and Walmart made commitments to achieve 100% renewable energy use, creating pressure on utilities to meet demand for clean energy or lose large customers. (RE100)

Environmental and public health consequences. Fossil-fuel emissions, especially from coal-based power, create many negative environmental and health impacts. Further, coal waste, known as “coal ash”, is laced with heavy metals that can leach and spill from disposal sites, contaminating water supplies. These concerns add to coal’s cost.

Across the U.S., these market forces have caused coal assets to lose value. For example, in 2016 AEP posted a \$2.3 billion write down, and NRG reported a \$6.4 billion dollar loss, both related to unprofitable coal plants.

FirstEnergy itself posted a \$1.1 billion loss on its Ohio coal plants, even after waging a lengthy campaign pushing for billions of dollars in government subsidies to “bail out” the plants. In November 2016, FirstEnergy’s CEO told analysts that its coal plants could not compete in current energy markets and would likely be shuttered or sold. (Cited above, Cleveland.com, November 2016)

FirstEnergy’s commitment to coal has destroyed shareholder value for years. By December 2016, FirstEnergy’s stock value had dropped over 35% from its 2008 peak, and Moody’s downgraded two of its subsidiaries’ credit ratings in July 2016. Despite such stark financial red flags, FirstEnergy subsidiaries, MonPower and Potomac Edison, disclosed plans to buy a new coal plant. (“First Energy being questioned about future plans”, Charleston Gazette-Mail, March 2016).

FirstEnergy had launched an environmental campaign focused on a cleaner energy future called “The Switch Is On”, but in July 2016 ended the campaign, took down the website, and removed the only chart showing its annual carbon emissions from its 2016 Sustainability Report. FirstEnergy adopted a commendable carbon target, but has not identified a path to achieving it, and its management remains focused on coal.

THEREFORE BE IT RESOLVED: Shareholders request that FirstEnergy prepare a report, at reasonable cost and omitting proprietary information, disclosing its strategy for aligning business operations with the 2015 Paris Agreement’s goal of limiting global warming to a maximum of 2 degrees Celsius, while maintaining the provision of safe, affordable, reliable energy.

### **Business Plan for 2C Warming Scenario**

Entergy Corp.

WHEREAS: Utilities face unprecedented disruptions to their business model driven by growth in non-carbon-emitting sources of electric power, and by climate policy imperatives such as the 2015 Paris Accord's goal of limiting global warming to well below 2 degrees Celsius.

Utility leaders recognize the need for change; the 14th PwC Global Power & Utilities Survey found that 97% of international electric power industry representatives expect the power utility business model to experience medium to high levels of disruption by 2020.

The effects are evident. In 2014, Barclays downgraded bonds for the entire U.S. electric utility sector due to the rapidly declining costs of solar power and energy storage technologies. UBS projects solar systems and batteries will cause a huge disruption in the energy industry, noting, "Large-scale power stations could be on a path to extinction." Deutsche Bank predicts total solar photovoltaic power costs will reach parity with average electricity prices (grid parity) in 36 U.S. states as soon as 2017. In June 2016, the credit rating agency Moody's announced that it would begin assessing carbon transition risk based on scenarios consistent with the Paris Accord, and noted the high carbon risk exposure of the power sector.

Moody's stated that "a proactive regulatory response to distributed generation is credit positive as it gives utilities improved rate designs and helps in the longterm planning for their infrastructure." Navigant Research similarly notes "Utilities that proactively engage with their customers to accommodate distributed generation – and even participate in the market themselves – limit their risk and stand to benefit the most."

Distributed generation of electricity is expanding through residential rooftop solar and corporate installations of renewable power. As of November 2016, 83 major brands have committed to work towards 100% renewable energy by signing on to the RE100 Pledge. Utilities must either meet these customers' demand, or risk losing them as they pursue solutions like distributed renewable generation independently.

Though Entergy is the 7th largest U.S. utility, and has the 16th highest level of carbon emissions among U.S. power producers, the Company has very little distributed and renewable energy. (Ceres, Benchmarking Utility Air Emissions 2015). A study of U.S. investor-owned utility clean energy deployment ranked Entergy 26th of 30 on clean energy sales; 28th of 30 on incremental annual energy efficiency; and 29th of 30 on lifecycle energy efficiency. (Ceres, Benchmarking Utility Clean Energy Deployment 2016).

RESOLVED: With board oversight, shareholders request that Entergy prepare a report (at reasonable cost and omitting proprietary information) describing how the Company could adapt its enterprise-wide business model to significantly increase deployment of distributed-scale non-carbon-emitting electricity resources as a means of reducing societal greenhouse gas emissions consistent with limiting global warming to no more than 2 degrees Celsius over pre-industrial levels.

### **Business Plan for 2C Warming Scenario**

Exxon Mobil Corporation

**RESOLVED:** Shareholders request that, beginning in 2018, ExxonMobil publish an annual assessment of the long-term portfolio impacts of technological advances and global climate change policies, at reasonable cost and omitting proprietary information. The assessment can be incorporated into existing reporting and should analyze the impacts on ExxonMobil's oil and gas reserves and resources under a scenario in which reduction in demand results from carbon restrictions and related rules or commitments adopted by governments consistent with the globally agreed upon 2 degree target. This reporting should assess the resilience of the company's full portfolio of reserves and resources through 2040 and beyond, and address the financial risks associated with such a scenario.

**Supporting Statement:** It is our intention that this be a supportive but stretching resolution that promotes the longer-term success of the company.

In December 2015, 195 nations reached an agreement at the 21st Conference of the Parties to the UN Framework Convention on Climate Change to limit global average temperature rise to well below 2 degrees Celsius, with a stretch target of 1.5 degrees Celsius (Paris Agreement). The Paris Agreement, which went into effect on November 4, 2016, requires signatories to submit progressively stronger nationally determined contributions every five years with a view to ensuring that the objective to restrict warming to well below 2 degrees is met.

ExxonMobil recognized in its 2015 10-K that "a number of countries have adopted, or are considering adoption of, regulatory frameworks to reduce greenhouse gas emissions," and that such policies, regulations and actions could make its "products more expensive, lengthen project implementation timelines, and reduce demand for hydrocarbons." However, ExxonMobil has not presented any analysis to investors of how its portfolio performs under a 2 degrees scenario. Performing such an analysis is critical to informing a business strategy that meets ExxonMobil's objective of increasing energy access to the world's poorest, without conflicting with the Paris Agreement.

When ExxonMobil sought to exclude this resolution from the proxy statement last year, the SEC advised that "it does not appear that ExxonMobil's public disclosures compare favorably with the guidelines of the proposal."

The need for extractive companies to provide disclosure on the resilience of their portfolios to the transition to a low carbon economy is generally established.

ExxonMobil's peers BP, ConocoPhillips, Royal Dutch Shell and Total have endorsed 2 degrees scenario analysis. The Financial Stability Board's Task Force on Climate Related Financial Disclosures has indicated that it favors such analysis. Major asset managers (e.g. BlackRock, State Street Global Advisors) have called for improved climate risk disclosures. In the credit market, Moody's Global Ratings includes low demand scenarios in its ratings analysis of companies in high risk sectors such as the energy industry.

This resolution aims to ensure that ExxonMobil fully evaluates and discloses to investors risks to the viability of its assets as a result of the transition to a low carbon economy, including a 2 degrees scenario, in line with sector good practice.

### Business Plan for 2C Warming Scenario

Duke Energy Corp.

*Similar resolutions were submitted to AES Corporation, AMEREN (Union Electric), DTE Energy, Dominion Resources, Inc., PNM Resources, Xcel Energy, Inc.*

WHEREAS: In November 2016 the Paris Agreement entered into force and its goal of keeping global temperature rise well below 2 degrees Celsius will begin to shape national policy decisions. To meet this goal the International Energy Agency estimates that the global average carbon intensity of electricity production will need to drop by 90 percent. As long-term shareholders, we would like to understand how Duke Energy is planning for the risks and opportunities presented by global efforts to keep global temperatures within acceptable boundaries.

In June 2016, the credit rating agency Moody's indicated that they would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the power sector.

Rapid expansion of low carbon technologies including distributed solar, battery storage, grid modernization, energy efficiency and electric vehicles provide not only challenges for utility business models but also opportunities for growth. Many large corporations are actively seeking to increase their use of renewable energy, providing a significant market opportunity for forward-thinking utilities. The International Energy Agency and the International Council on Clean Transportation forecast that electrification of transport will play a critical role in achieving the necessary greenhouse gas reductions by 2050.

Duke Energy is the 2nd largest CO<sub>2</sub> emitter in the U.S., has not set a science-based greenhouse gas reduction goal and does not provide information on its long term strategy or plan to decarbonize in ways that are consistent with the Paris Climate Agreement or a 2 Degree Scenario. As investors, we are concerned that Duke Energy is not properly accounting for the risk of its current high investment in carbon-intensive generation and is still planning future investments in fossil fuel-based generation.

A 2 degree scenario analysis of our company's current generation and future plans will generate a more complete picture of current and future risks and opportunities than business as usual planning. By assessing the impact of a 2 degree scenario on the company's full portfolio of power generation assets and planned capital expenditures through 2040, including the financial risks associated with such scenarios, the company can better plan for future regulatory, technological and market changes.

RESOLVED: Shareholders request that Duke Energy, with board oversight, publish an assessment (at reasonable cost and omitting proprietary information) of the long term impacts on the company's portfolio, of public policies and technological advances that are consistent with limiting global warming to no more than two degrees Celsius over preindustrial levels.

Supporting Statement: This report could include:

- How Duke Energy could adjust its capital expenditure plans to align with a two degree scenario; and
- Plans to integrate technological, regulatory and business model innovations such as electric vehicle infrastructure, distributed energy sources (storage and generation), demand response, smart grid technologies, and customer energy efficiency as well as corresponding revenue models and rate designs.



### Business Plan for 2C Warming Scenario

#### Marathon Petroleum

WHEREAS: In November 2016 the Paris Agreement entered into force and its goal of keeping global temperature rise well below 2 degrees Celsius will begin to shape national policy decisions. According to the International Energy Agency, transportation accounts for more than one-fifth of global carbon dioxide emissions and is likely to rise, requiring rapid adoption of new technologies to keep temperatures within limits.

The International Energy Agency and the International Council on Clean Transportation forecast that electrification of transport will play a critical role in achieving required greenhouse gas reductions by 2050. Increased fuel efficiency for internal combustion engines will also play a role: in the U.S., efficiency requirements for light duty vehicles will rise to 54.5 miles per gallon by 2025 and agencies are considering standards leading to significant reductions in fuel consumption for medium and heavy-duty trucks.

In June 2016, the credit rating agency Moody's indicated that they would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the energy sector.

Expansion of electric and hybrid vehicles, growth in autonomous vehicles and ride sharing, innovations in low carbon fuels, and increased fuel efficiency and battery range hold the potential to reduce demand for petroleum-based fuels and transform the marketing and retail business lines for refiners. According to the Sustainable Accounting Standards Board, market changes driven by climate change regulations can provide not only challenges for existing refining and retail business models but also opportunities for growth and brand enhancement. For example, many large corporations are actively seeking to reduce transportation emissions, with significant market opportunities for forward-thinking downstream companies.

According to recent 10-Ks, Marathon Petroleum has spent significant capital resources expanding its crude oil refining capacity; recent Citizenship Reports detail investments in renewable energy projects and increased energy efficiency at Marathon refineries. However, the company has not disclosed how the 2 degree challenge is being accounted for in its short and long term capital investment decisions, predictions of future demand, plans for growth, or strategies to manage risks from climate change regulations or related market changes. Such information would allow investors to better assess the risks that climate change regulations may pose to the company and shareholder value.

RESOLVED: Shareholders request that Marathon Petroleum issue a report by December 30, 2017 with board oversight, at reasonable cost and omitting proprietary information, on the Company's strategy for aligning its business plan with the well below 2 degree Celsius goal of the Paris Agreement, while continuing to provide safe, affordable and reliable energy.

Supporting Statement: This report could include:

- The impact of a below 2 degree scenario on Marathon Petroleum's current business model, business lines and products; and
- Plans to integrate technological, regulatory and business model innovations such as advanced biofuels, fuel cells, and electric vehicle charging infrastructure.

### Business Plan for 2C Warming Scenario

Chevron Corp.

**RESOLVED:** Shareholders request that by the Annual Meeting of Stockholders in 2018, Chevron Corporation (Chevron), with board oversight publishes an annual assessment of long-term portfolio impacts to 2035 of plausible climate change scenarios, at reasonable cost and omitting proprietary information. The report should explain how capital planning and business strategies incorporate analyses of the short- and long-term financial risks of a lower-carbon economy. Specifically, the report should outline impacts of multiple, fluctuating demand and price scenarios on the company's existing reserves and resource portfolio—including the International Energy Agency's "450 Scenario," which sets out an energy pathway consistent with the internationally recognized goal of limiting global increase in temperature to 2 degrees Celsius.

Supporting Statement: Climate change, and actions to mitigate and adapt to it, will meaningfully affect the demand for, and costs associated with, finding, extracting, refining and selling carbon-based fuels, therefore impacting shareholder value.

Recognizing the economic and political risks associated with climate change, the probability of strong climate changerelated policy action has increased since the Paris Agreement reached at the United Nations Framework Convention on Climate Change Conference of the Parties (COP21) in December 2015. COP21 concluded with 195 countries agreeing to keep global temperature increase "well below" 2 degrees Celsius, and pursuing efforts to limit it to 1.5 degrees Celsius. Significantly, the two largest greenhouse gas emitters globally, the United States and China, ratified this agreement in 2016.

Investors require better transparency on the resilience of Chevron's portfolios under different scenarios based on these and likely future developments.

Chevron has recognized in its Securities and Exchange Commission filings and sustainability reporting that policies, regulations and actions that place a price on greenhouse gas emissions—or affect the supply and demand for hydrocarbons—could have a significant impact on its business. The increasing likelihood of public policy action and viability of technological advancements aimed at addressing climate change make it vital that Chevron provide investors with more detailed analyses of the potential risks to its business, under a range of scenarios. While Chevron provides some indication that "consideration of greenhouse gas issues, climate change related risks and carbon pricing risks are integrated into its strategy, business planning, risk management tools and processes," it has not presented sufficiently detailed analyses of how it stress tests its portfolio of new and existing projects under various carbon-constrained scenarios.

This contrasts with Chevron's competitors, including:

- Ten oil and gas companies announcing their shared ambition to limit the global average temperature rise to 2 degrees Celsius (Oil and Gas Climate Initiative);
- Shell, BP, and Statoil endorsing the "Strategic Resilience for 2035 and Beyond" shareholder resolutions that received almost unanimous support in 2015; Suncor endorsing a similar resolution with overwhelming support in 2016;
- ConocoPhillips and Total testing capital planning decisions against multiple carbon-constrained scenarios and disclosing the results.

Publication of the requested report will demonstrate that Chevron is strategically planning to remain competitive in a carbon-constrained future and generate continued value for shareholders

### Business Plan for 2C Warming Scenario

#### Occidental Petroleum Corporation

**RESOLVED:** Shareholders request that Occidental Petroleum Corporation (Occidental), with board oversight, produce an assessment of long-term portfolio impacts of plausible scenarios that address climate change, at reasonable cost and omitting proprietary information. The assessment, produced annually with the initial report issued prior to the 2018 Annual Meeting of Stockholders, should explain how capital planning and business strategies incorporate analyses of the short- and long-term financial risks of a lower carbon economy. Specifically, the report should outline the impacts of multiple, fluctuating demand and price scenarios on the company's existing reserves and resource portfolio – including the International Energy Agency's "450 Scenario," which sets out an energy pathway consistent with the internationally recognized goal of limiting the global increase in temperature to 2 degrees Celsius.

**Supporting Statement:** Long-term Occidental investors expect the company to generate continued shareholder value as energy policies evolve. Climate change, and actions to mitigate and adapt to it, will meaningfully affect the demand for, and costs associated with, locating and extracting carbon-based fuels.

The likelihood of widespread implementation of public policies related to climate change significantly increased in 2016, concurrent with the Paris Agreement reached at the 21st session of the United Nations Framework Convention on Climate Change Conference of the Parties (COP21). Under the Paris Agreement, countries agreed to take action to keep the increase in global temperature to "well below" 2 degrees Celsius, and to pursue efforts to limit it to 1.5 degrees Celsius. Accordingly, governments and companies are pursuing mitigation strategies including increasing energy efficiency and sourcing renewable energy, which will likely affect the demand for carbon-based fuels. Notably, the two largest global emitters—the United States and China—agreed in 2014 to policy and regulatory actions to reduce greenhouse gas emissions, and expanded those commitments in 2016.

Occidental recognizes in its Securities and Exchange Commission filings that actions that place a price on carbon can have a significant impact on its business. Due to the increased likelihood of public policy action and viable technological advancements to address climate change, investors require analyses regarding the potential impact on Occidental's resources. Shareholders are therefore requesting information to help assess Occidental's long-term resilience and how it expects to perform under a range of carbon scenarios. Approximately forty-nine percent of shares voted supported this resolution in 2016\*.

Occidental's competitors are providing additional disclosure:

- Ten oil and gas companies announced a shared ambition to limit the global average temperature rise to 2 degrees Celsius (Oil and Gas Climate Initiative);
- Shell, BP, and Statoil endorsed the "Strategic Resilience for 2035 and Beyond" shareholder resolutions, which received almost unanimous support in 2015; Suncor endorsed a similar resolution with overwhelming support in 2016;
- ConocoPhillips and Total test capital planning decisions against multiple carbon-constrained scenarios and disclose the results.

Publication of the requested report will demonstrate to shareholders that Occidental is strategically planning to remain competitive in a carbon-constrained future and generate continued value for shareholders.

\*excluding abstentions

### **Business Plan for 2C Warming Scenario**

Noble Energy, Inc.

WHEREAS: Climate change, and actions to mitigate and adapt to it, will meaningfully affect the demand for, and costs associated with, carbon-based fuels.

Global action on climate change is accelerating. In November 2016 the Paris Agreement entered into force and its goal of keeping global temperature rise well below 2 degrees Celsius is already shaping national policy decisions.

Action to address climate change is likely to have a negative impact on demand for oil. According to the International Energy Agency (IEA), transportation accounts for more than one fifth of global carbon dioxide emissions, requiring rapid adoption of new technologies to keep temperatures within limits.

The IEA forecasts that electrification of transport will play a critical role in achieving required greenhouse gas reductions. In October 2016, Fitch Ratings described electric cars as a “resoundingly negative” threat to the oil industry and urged energy companies to plan for “radical change.”

In June 2016, the credit rating agency Moody’s indicated that it would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the energy sector.

The prolonged downturn in oil prices has underscored the risks associated with investing in complex, high cost projects like the deepwater projects Noble is counting on for growth. The uncertainty around future demand growth in light of climate change has led competitors like ConocoPhillips to test capital planning decisions against multiple carbon-constrained scenarios to avoid the risk of stranded assets.

The increasing likelihood of public policy action and viability of technological advancements aimed at addressing climate change make it vital that Noble provide investors with more detailed analyses of the potential risks to its business under a range of scenarios. While Noble’s website notes that climate policy “could have a significant impact on our future operations and reduce demand for our products” it has not presented sufficiently detailed information to allow investors to assess the resilience of our company’s portfolios under various carbon-constrained scenarios.

RESOLVED: Shareholders request that by 2018 Noble Energy publish an assessment of long term portfolio impacts of public climate change policies, at reasonable cost and omitting proprietary information. The assessment can be incorporated into existing reporting and should analyze the impacts on Noble Energy’s oil and gas reserves and resources under a scenario in which reduction in demand results from carbon restrictions and related rules or commitments adopted by governments consistent with the globally agreed upon 2 degree target. The reporting should assess the resilience of the company’s full portfolio of reserves and resources through 2040 and beyond and address the financial risks associated with such a scenario.

### Stranded Assets Due to Climate Change

#### PNM Resources

**BE IT RESOLVED:** Shareholders request that Public Service Company of New Mexico ("PNM") publish a comprehensive assessment by September 2017, omitting proprietary information and at reasonable cost, identifying all PNM generation assets that might become stranded, in what time frame, and quantifying low, medium, and high financial risk associated with each respective asset.

**Supporting Statement:** A 2014 report from Oxford University's Stranded Assets Program says "Reducing emissions from electricity generation is crucial to addressing risks of anthropogenic climate change." Such reductions will have important benefits locally. According to a recent study, rising temperatures in the Southwest dramatically increase the risk of a regional megadrought but aggressive reduction in greenhouse gas emissions cuts this risk nearly in half.<sup>1</sup>

PNM generates approximately 93% of its energy from non-renewable sources, including 50% from coal.<sup>2</sup> Regulations designed to mitigate the worst impacts of climate change, as well as climate related market changes, are likely to strand these assets.

PNM recently agreed to close units 2 & 3 at the company's coal fired San Juan Generating Station ("SJGS") resulting in stranded assets exceeding \$250 million, losses equally split between shareholders and ratepayers. The remaining SJGS units 1 & 4 might become stranded depending on a future determination of the extent to which they continue to serve retail customers' needs.<sup>3</sup> All the SJGS units are more than 40 years old and the nearby Four Corners Coal Plant ("FCPP") is 50 years old. These aging coal plants are depreciated out until 2053 for SJGS and 2031 for FCPP. The average life of a coal plant is only 40 years, according to the National Association of Regulatory Utility Commissioners.<sup>4</sup>

In June 2015, the U.S. adopted the Clean Power Plan, which requires the U.S. electric power sector to significantly reduce carbon emissions. HSBC noted that the Clean Power Plan's clean air requirements could "increase the stranding risk for U.S. coal producers and coal heavy utilities." In comments to the EPA opposing the Clean Power Plan, a group of utilities claimed that coal pollution regulation will "result in billions of dollars in stranded assets." (Comment from Coalition for Innovative Climate Solutions).

Renewable power may also strand coal assets. According to a 2014 Rocky Mountain Institute report: "the point at which solar-plus-battery systems reach grid parity[...] is well within the 30-year planned economic life of central power plants and transmission infrastructure. Such parity and the customer defections it could trigger would strand those costly utility assets."

1 See <http://advances.sciencemag.org/content/2/10/e1600873.full>

2 See PNM Investor Presentation 10-6-2016, p. 37

3 NM PRC Case No. 13-00390-UT, Supplemental Stipulation, P6.

4 See <http://qz.com/61423/coal-fired-power-plants-near-retirement/>

### Stranded Assets Due to Climate Change

Xcel Energy, Inc.

WHEREAS: A transition to a low-carbon economy is occurring, and action to reduce global demand for carbon-based energy is accelerating. Coal, the most carbon intensive fossil fuel, is a key driver of climate change. Controlling climate change will require a dramatic reduction in coal use, which is likely to result in coal infrastructure being “stranded”, i.e., devalued or written off at a loss. The growing risk that fossil fuel infrastructure will be stranded is termed “carbon asset risk.” Coal infrastructure can be stranded due to many reasons:

- Lower-carbon technology deployed at scale. Hydraulic fracturing and lower costs for solar and wind infrastructure have caused power markets to become more competitive.
- Large utility customers moving to clean energy. As of November 2016, 83 companies including Apple, GM, and Walmart made commitments to achieve 100% renewable energy use, creating pressure on utilities to meet demand for clean energy or lose large customers. (RE100).
- Coal demand decreasing while coal costs rise. In response to climate change, utilities are rapidly switching from coal to lower carbon fuels, which is reducing coal demand. At the same time, coal production costs are increasing, and are projected to continue rising through 2040. (Annual Energy Outlook, Energy Information Agency, 2016). Reduced coal demand amidst rising costs has decimated coal profitability, as demonstrated by coal company bankruptcies like that of Peabody Energy. As this cycle continues and the coal industry shrinks, coal supply to utilities could be disrupted. Coal supply disruptions could accelerate the stranding of utility coal infrastructure and threaten utilities’ ability to deliver reliable power.

Across the U.S., climate change driven market forces such as these have already stranded coal assets. For example, in 2016 AEP posted a \$2.3 billion write down, NRG reported a \$6.4 billion dollar loss, and FirstEnergy posted a \$1.1 billion loss — all related to uneconomic coal plants.

Though XCEL Energy is taking important and admirable steps to become more sustainable, it still burns the 11th highest amount of coal in the nation and generates the 11th highest amount of carbon pollution. (Benchmarking Utility Air Emissions, Ceres, 2015). Shareholders respectfully request increased transparency as to the scope and potential financial losses carbon asset risk poses to XCEL.

THEREFORE BE IT RESOLVED: Shareholders request that XCEL prepare a report assessing the Company’s risk of stranded assets resulting from global climate change and related fossil fuel demand reductions, including a quantitative analysis of potential short and long term financial losses due to its fossil fuel generation facilities being stranded. The report should be at reasonable cost and omit proprietary information.

### Stranded Assets Due to Climate Change

#### Southern Company

WHEREAS: Coal, the most carbon intensive fossil fuel, is a key driver of climate change. Controlling climate change will require a dramatic reduction in coal use, which is likely to result in a significant amount of coal infrastructure being “stranded”. The growing risk that fossil fuel infrastructure will be stranded, or devalued and written off at a loss, is termed “carbon asset risk.” Coal infrastructure can be stranded for many reasons:

Low carbon technology and alternative fuels are being deployed at scale in response to climate change, while out competing coal. Low carbon energy generation options are not burdened by coal’s public health, environmental, and compliance liabilities.

The costs of avoiding or addressing environmental and public health harm from coal use make coal less competitive. Coal waste, for example, is laced with heavy metals that can leach and spill from disposal sites, contaminating water supplies.

Utility customers are moving to clean energy. As of November 2016, 83 major companies, including Apple, GM, and Walmart made commitments to achieve 100% renewable energy use, creating pressure on utilities to meet that demand or lose large customers. (RE100) Southern Company’s subsidiary Alabama Power installed renewable energy in response to the renewable energy goals of its customers, including the Department of Defense and Walmart. (AL.com)

Across the U.S., climate change-driven market forces have already stranded coal assets. In 2016, FirstEnergy posted a \$1.1 billion loss; AEP a \$2.3 billion write down; and NRG reported a \$6.4 billion dollar loss, all related to uneconomic coal plants.

Southern Company is already experiencing losses associated with coal investments. Its 582 megawatt coal-to-gas facility in Kemper, Mississippi is approximately three years behind schedule and \$4.5 billion dollars over budget. (NYT) Its shareholders have endured 13 quarters of reduced earnings due to \$2.5 billion in charges from the project, which also resulted in credit downgrades for Southern Company. (WSJ) In contrast, a peer of Southern Company, Dominion Resources, broke ground on its Greensville County Power Station, a 1,500 Megawatt gas plant estimated to cost \$1.3 billion dollars — a third of the cost of Kemper for a gas plant three times Kemper’s size — which is likely to yield similar or greater environmental benefits.

Shareholders require increased disclosure of Southern Company’s stranded asset risk to be able to evaluate the prudence of management’s investment decisions.

THEREFORE BE IT RESOLVED: Shareholders request that Southern Company prepare a report disclosing the financial risks to the Company of stranded assets related to climate change and associated coal demand reductions. The report should omit proprietary information and be prepared at reasonable cost.

### Stranded Assets Due to Climate Change

NRG Energy, Inc.

WHEREAS: Coal, the most carbon intensive fossil fuel, is a key driver of climate change. To limit global warming to 2 degrees Celsius – as required for a livable climate and agreed upon under the 2015 Paris Accord – the U.N. estimates that over 80% of all coal reserves must remain unburned. This will require a dramatic reduction in coal use, which is likely to result in coal infrastructure being “stranded”. The growing risk that fossil fuel infrastructure will be stranded, or devalued and written off at a loss, is termed “carbon asset risk.”

Coal infrastructure can be stranded in many ways:

- Growth in climate change driven low carbon technology development and global deployment, which is effectively competing with coal in many electricity markets.
- Customers moving to clean energy. As of November 2016, 83 major companies, including Apple, GM, and Walmart, made commitments to achieve 100% renewable energy use, creating pressure on utilities to meet that demand or lose large customers.
- Increasing costs and liability resulting from the negative effects of coal use on water and air quality. Coal waste, for example, is laced with heavy metals that can leach and spill from disposal sites, contaminating water supplies.

Across the U.S., these and other factors are causing utility losses on unprofitable coal plants. In 2016, FirstEnergy posted a \$1.1 billion loss, and AEP a \$2.3 billion write down, on uneconomic coal plants. Previously, Southern Company had a \$2 billion loss and \$4 billion cost overrun on its Kemper coal gasification plant, while Dominion's Brayton Point Plant sold at a loss despite investments exceeding \$1 billion.

NRG's coal fleet is creating similar risk for the Company. In 2016, NRG reported a \$6.4 billion dollar loss related to its coal plants. NRG is also considering bankruptcy for its coal-heavy subsidiary GenOn Energy, which is \$2.6 billion in debt. In March 2016, Moody's described GenOn Energy as having an “untenable capital structure... calling into question the sustainability of its business model.” Despite the poor financial outlook for coal-based electricity due to climate change, as of 2013 NRG was 4th highest producer of coal-generated electricity in the U.S., and had the 4th highest level of carbon emissions. (Benchmarking Utility Air Emissions, Ceres 2015)

RESOLVED: As You Sow, on behalf of NRG shareholders, requests that NRG prepare a public report, within 12 months of the Annual Meeting, describing how it will address the risk of stranded assets and coal demand reductions associated with global climate change, including analysis of long and short term financial risks to the company under the International Energy Agency's 450 scenario. The report should be produced at reasonable cost and omit proprietary information.



### Carbon Asset Risk

#### Exxon Mobil Corporation

WHEREAS: A transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. A failure to plan for this transition may place investor capital at substantial risk.

Goldman Sachs pegs the low carbon economy at a \$600 billion-plus revenue opportunity, estimating that solar PV and wind will add more to the global energy supply between 2015 and 2020 than shale oil production did between 2010 and 2015.

Low carbon market forces, including competition from electric cars, will be a “resoundingly negative” threat to the oil industry. In October 2016, Fitch Ratings urged energy companies to plan for “radical change.”

Government policies to speed the transition to a low carbon economy, including fuel efficiency standards, carbon pricing, and carbon emission standards, also compel alternative planning. The Paris Agreement’s goal of less than 2 degrees warming reinforces the need to transition.

The International Energy Agency provides an energy pathway consistent with limiting global temperature increases to 2° C (450 scenario), where “No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050.” Citigroup estimates the value of these unburnable fossil fuel reserves at over \$100 trillion through 2050. The CEOs of Statoil and Shell recently predicted that peak oil demand may occur as early as the 2020s.

HSBC analysts estimate that oil producers’ valuations could drop 40 to 60 percent under a low demand scenario, making an alternative path increasingly prudent. Carbon Tracker estimates oil majors’ combined upstream assets would be worth \$140 billion more if restricted to projects consistent with a 2 degree demand level.

Yet, Exxon has moved in the opposite direction. A decade of historic spending on high cost, high carbon assets has eroded profitability, making Exxon increasingly vulnerable to a downturn in demand and a fall in oil prices. (See *Unconventional Risks: the Growing Uncertainty of Oil Investments, As You Sow, 2016*).

The increasing likelihood of global climate action and lowcarbon technological advancements make it vital that Exxon provide transparent disclosures to investors regarding how our company plans to remain successful in an increasingly carbon constrained economy. Total and Statoil have already begun investing in clean energy projects including wind, solar, and renewables storage. Total has a stated goal to increase renewable and low-carbon businesses to 20 percent of the company’s portfolio. Statoil has established a new energy unit to capitalize on the growing renewable energy sector.

RESOLVED: Shareholders request Exxon issue a report (at reasonable cost, omitting proprietary information) summarizing strategic options or scenarios for aligning its business operations with a low carbon economy (such as the International Energy Agency’s 450 climate change scenario), including for example altering the company’s energy mix by separating or selling some of its highest carbon-risk assets, divisions, and subsidiaries; buying, or merging with, companies with assets or technologies in low carbon or renewable energy; or internally expanding its own renewable energy portfolio.

### Climate Risk Management Report

Exxon Mobil Corporation

WHEREAS on June 14, 2013 at the City Club of Cleveland ExxonMobil's CEO Rex Tillerson made the following statements about climate change:

I view it as a risk management problem.

There are some things we know and understand about it. There are a lot of things about it that we don't know and don't understand. We're not sure how this is going to turn out.

What am I going to do if it turns out that none of my mitigation steps make any difference? What if it turns out that this is happening for a lot of reasons that I don't understand? What's Plan B? Plan B means you had better start thinking about what kind of adaptation measures are going to be necessary if the consequences that people are concerned about present themselves.

And at the May 27, 2015 Annual Meeting Mr. Tillerson said:

But [climate change] is a risk management problem which we have always described it. And in risk management you have to consider the range of possible consequences, and be prepared for those.

That is why we have always posed this question what if everything we do, what if it turns out all our models were really lousy and we achieved all our objectives and it turned out that the planet behaved differently because the models were not good enough to predict it.

We agree climate change is a risk management issue and ExxonMobil and other companies need a risk management plan addressing these risks utilizing a number of scenarios.

In our company's 10-K filing, climate change – and efforts to address it – are identified as Risk Factors.

ExxonMobil's 2014 report "Energy and Carbon — Managing the Risks" does not disclose risk management plans for scenarios different from our Energy Outlook nor "the range of possible consequences".

We believe ExxonMobil is a very wellmanaged company and as such should have a risk management plan to address a broad range of climate risks. Other oil majors are doing such assessments viewing it as necessary to protect the business and its shareowners.

RESOLVED: Exxon Mobil shareholders request that the Board of Directors issue a Climate Risk Management Report to shareholders, (at reasonable cost and omitting proprietary information), describing the company's climate risk management plan. Such a report could include review of the following risks and plans to address them as needed.

Risks as cited by World Economic Forum "The Global Risks Report 2016: 11th Edition"

- Failure of Climate Change mitigation and adaptation [#1 risk cited in the report]
- Extreme weather events
- Water crises
- Food security risk in the context of climate change
- Ocean acidification including implications for aquatic food chain
- Profound social and political instability and potential conflict
- Large scale involuntary migration (created by water and food scarcity and resulting social political instability)
- Systemic risk – leading to slowing of global economic growth

### Low-Carbon Transition

#### Chevron Corp.

**RESOLVED:** Shareholders request that Chevron issue a report (at reasonable cost, omitting proprietary information), assessing how it can respond to climate change and the resultant transition to a low carbon economy by evaluating the feasibility of altering the company's energy mix by separating or selling off its highest carbon-risk assets, divisions, and subsidiaries, and/or buying or merging with companies with outstanding assets or technologies in low carbon or renewable energy.

**WHEREAS:** A transition toward a low carbon economy is occurring and trends to reduce global demand for carbonbased energy are accelerating. A failure to plan for this transition may place investor capital at substantial risk.

Government policies, including fuel efficiency requirements, carbon pricing, and carbon standards are speeding the transition to a low carbon economy. The Paris Agreement's goal of less than 2 degrees warming reinforces this transition.

Low carbon market forces, including competition from electric cars, will be a "resoundingly negative" threat to the oil industry. In October 2016, Fitch Ratings urged energy companies to plan for "radical change."

The International Energy Agency states, "No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2° C goal." Citigroup estimates the value of unburnable fossil fuel reserves at over \$100 trillion through 2050. In contrast, Carbon Tracker estimates oil majors' combined upstream assets would be worth \$140 billion more if restricted to projects consistent with a 2 degree demand level. Under this scenario, nearly \$44.8 billion of Chevron's planned capex through 2025 is at risk of stranding. (Carbon Tracker).

Chevron's historic capital spend on high cost, high carbon assets has eroded profitability and increased Chevron's risk profile, making the company vulnerable to a downturn in demand and a subsequent fall in oil prices. (Unconventional Risks: the Growing Uncertainty of Oil Investments, As You Sow 2016).

- Chevron's capital expenditures grew nearly 240 percent from 2005 to 2015.
- Chevron's operating profitability has fallen 107 percent over the last decade, and
- Chevron's 2016 ROE and ROIC are at historic lows.

Investors are concerned that Chevron is at risk of further eroding shareholder value through continuing investments in assets likely to be stranded and uneconomic in a low carbon demand scenario. Analysts estimate that oil producers' valuations could drop 40 to 60 percent under this scenario (HSBC).

Shareholders require a plan for how Chevron will transition to a low carbon economy. Chevron's peers Total and Statoil have already begun investing in clean energy projects including wind and solar. Other strategies may include profitably shrinking the company's carbonbased asset base.

Low carbon planning is also critical to meeting Chevron's stated objective of increasing developing countries' access to affordable and reliable energy without conflicting with the Paris Agreement.

### Sustainability Reporting – GHG Emphasis

#### Middleby Corporation

*A similar resolution was submitted to Smith (A.O.) Corporation.*

**RESOLVED:** Shareholders request The Middleby Corporation (Middleby) issue a sustainability report describing the company's environmental, social, and governance (ESG) policies, performance, and improvement targets, including a discussion of greenhouse gas (GHG) emissions management strategies and quantitative metrics. This report should be updated annually, be prepared at reasonable cost, and omit proprietary information.

Supporting Statement: Proponents believe tracking and reporting on ESG practices strengthens a company's ability to compete and adapt in today's global business environment, which is characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Transparent, substantive reporting allows companies to better integrate and capture value from existing sustainability efforts, identify gaps and opportunities in policies and practices, enhance company-wide communications, and recruit and retain employees.

Support for the practice of sustainability reporting continues to gain momentum:

- In 2015, KPMG found that of 4,500 global companies 73% had ESG reports.
- CDP, representing 827 institutional investors globally with approximately \$100 trillion in assets, calls for company disclosure on GHG emissions and climate change management programs. Seventy percent of the S&P 500 reported to CDP in 2015.
- One of the United Nations' Principles for Responsible Investment (PRI) is to seek "appropriate disclosure on ESG issues"; the PRI has more than 1,500 signatories with over \$60 trillion in assets under management.

The link between strong sustainability management and value creation is increasingly evident. A 2012 Deutsche Bank review of 100 academic studies, 56 research papers, two literature reviews, and four meta-studies on sustainable investing found 89% of the studies demonstrated that companies with high ESG ratings showed market-based outperformance. Similarly, a report published by WWF, CDP, and McKinsey & Company, found that companies with GHG targets achieved an average of 9% better return on invested capital than companies without targets.

Middleby last published a Sustainability Report in 2010 and has a website highlighting some of the energy efficiency benefits of its products. However, Middleby has not recently disclosed quantitative metrics conveying the company's operational ESG performance, its GHG data, or established goals to improve environmental performance. In contrast, Assa Abloy, Cabot Corporation, Minerals Technologies, Cytex Solvay Group, and Lincoln Electric are examples of the numerous, small- to mid- sized industrial companies publishing sustainability metrics and improvement targets alongside qualitative supporting details.

As shareholders, we believe it is prudent for Middleby to disclose how it is managing its ESG impacts, which can pose significant reputational, legal, regulatory, and financial risk to the company and its shareholders. Without appropriate disclosure, investors and other stakeholders cannot adequately assess how Middleby is managing its material ESG risks and opportunities.

We recommend that the report include a company-wide review of policies, practices, and quantitative metrics related to ESG performance. The Global Reporting Initiative (GRI) index, CDP, and Sustainability Accounting Standards Board all provide resources and tools for guidance in developing this report.

### Sustainability Reporting – GHG Emphasis

Oceaneering International, Inc.

*A similar resolution was submitted to Nordson Corporation.*

**RESOLVED:** Shareholders request that Oceaneering International (Oceaneering) issue a report describing the company's policies, performance, and improvement targets related to key environmental, social and governance (ESG) risks and opportunities, including greenhouse gas (GHG) emissions reduction goals. The report should be available by year-end 2017, prepared at reasonable cost, omitting proprietary information.

**Supporting Statement:** We believe tracking and reporting ESG practices strengthens a company's ability to compete in today's global business environment, which is characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies capture value from existing sustainability efforts, identify gaps and opportunities, develop company-wide communications, and recruit and retain employees.

Support for the practice of sustainability reporting continues to gain momentum:

- In 2015, KPMG found that of 4,500 global companies 73% had ESG reports.
- The United Nations Principles for Responsible Investment has more than 1,500 signatories with \$62 trillion in assets. 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."
- CDP, representing 827 institutional investors globally with approximately \$100 trillion in assets, calls for company disclosure on GHG emissions and climate change management programs. 70% of the S&P 500 now disclose to CDP.

Currently, Oceaneering's HSE section of its website includes short descriptions of programs and guiding principles related to some ESG issues. While these policies appear strong, aside from safety data, no qualitative details or metrics regarding Oceaneering's operational ESG performance are provided to the public. Oceaneering discloses that "HSE performance indicators are communicated throughout the organization," which indicates that decision-useful information already exists and disclosure would incur minimal costs.

Shareholders are unable to understand how Oceaneering is managing its most material ESG issues, which according to the Sustainable Accounting Standards Board (SASB) include emissions reduction services and fuels management, water management services, ecological impact management, and management of the legal and regulatory environment.

For example, Oceaneering does not currently disclose its GHG data to the public. Climate change is one of the most financially significant environmental issues facing Oceaneering's investors and customers. This information helps investors to more fully analyze the risks and opportunities associated with their investments.

As shareholders, we believe it is imprudent to disregard the above indicators, which can pose significant regulatory, legal, reputational and financial risk to the company and its shareholders. Oceaneering is missing an opportunity to communicate with its shareholders about the company's strategy to manage these potentially material factors.

We recommend that the report include a company-wide review of policies, practices and metrics related to ESG performance. The Global Reporting Initiative (GRI) index and SASB provide helpful guidance. The GRI Guidelines are the most widely used reporting framework, enabling companies to focus on their most important ESG issues.

### Sustainability Reporting – GHG Emphasis

Torchmark Corp.

WHEREAS: Managing and reporting environmental, social and governance (ESG) business practices helps companies compete in a global business environment characterized by finite natural resources, changing legislation, and heightened public expectations. Reporting allows companies to publicize and gain strategic value from existing sustainability efforts and identify emerging risks and opportunities. ESG issues can pose significant risks, and without proper disclosure, stakeholders and analysts cannot ascertain whether the company is managing its ESG exposure;

The link between strong sustainability management and value creation is increasingly evident. A 2012 Deutsche Bank review of 100 academic studies, 56 research papers, two literature reviews, and four meta studies on sustainable investing found 89% of studies demonstrated that companies with high ESG ratings show market based outperformance, and 85% of the studies indicated that these companies experience accounting based outperformance;

Investors managing over \$62 trillion have joined The Principles for Responsible Investment, publicly committing to seek comprehensive corporate ESG disclosure and incorporate it into investment decisions. The majority of large corporations also recognize the value of sustainability reporting. As of March 2016, 81% of the S&P 500 published corporate sustainability reports;

According to a 2016 report from MIT Sloan Management Review and The Boston Consulting Group, 75% of investors believe that “a company’s good sustainability performance is materially important when making investment decisions”;

Life and health insurers face a number of ESG risks, particularly related to climate change, including:

- Increasing incidence of stress and fatalities resulting from severe heat waves;
- Increasing number of injuries, fatalities, and contamination of water and soil resulting from natural disasters;
- Increasing incidence of vector and water borne illnesses and;
- Increased losses from investments in assets exposed to extreme weather risks;

According to the National Association of Insurance Commissioners, “Disclosure of climate risk is important because of the potential impact climate change can have on insurer solvency and the availability and affordability of insurance across all major categories.” Torchmark is lagging behind other insurance companies such as Lincoln National Corporation and Genworth Financial in its level of disclosure;

RESOLVED: Shareholders request that Torchmark Corporation (Torchmark) issue an annual sustainability report describing the company’s policies, quantitative metrics, and improvement targets related to ESG issues. The report should be: prepared at reasonable cost; omit proprietary information; and be made available to shareholders by October 2017.

Supporting Statement: The report should include goals for managing ESG impacts of Torchmark’s business as well as a discussion of strategies to disclose and mitigate the risks of climate change to Torchmark’s underwriting and investing.

We recommend that the report include a company-wide review of policies, practices, and quantitative metrics related to ESG performance. CDP, Sustainability Accounting Standards Board, and Global Reporting Initiative Index all provide resources and tools for guidance in developing this report.

### Independent Director with Climate Change Expertise

#### Exxon Mobil Corporation

Increasingly, recognized climate change expertise at board levels is being acknowledged as critical to the success of U.S.-based companies. This applies especially for ExxonMobil whose fossil-fuel dependency is a key contributor to climate change.

In May, 2016 CalPERS (California Public Employees' Retirement System)—manager of pension and health benefits for more than 1.6 million California public employees, retirees and their families—updated its Global Governance Principles to state that, “at a minimum, director attributes should include expertise ... and experience in climate change risk management strategies” with oversight at the board level (<https://www.calpers.ca.gov/docs/boardagendas/201603/invest/item05a-02.pdf>).

In its “Climate Change Risk Oversight Framework for Directors” (03.14.16) State Street Global Advisors made the recommendation applicable to ExxonMobil that “companies in high risk sectors should assess board composition and director expertise in relation to climate competence of the board” (<https://www.ssga.com/investment-topics/environmental-socialgovernance/2016/Climate-Change-Risk-Oversight-Framework-For-Directors.pdf>).

The B Team (a global nonprofit initiative co-founded by Sir Richard Branson and Jochen Zeitz that brings together global leaders from business, civil society and government for the wellbeing of people and the planet) is calling for climate competence not just for one Director as does this resolution, but for entire Boards of Directors “for transitioning to a net-zero GHG economy, avoiding a more extreme global climate crisis” which enables “the private sector to drive and benefit from the largest economic opportunity since the industrial revolution” (<https://issuu.com/the-bteam/docs/climate-competents-board-brief-nov->).

For years some shareholders concerned about ExxonMobil's approach to climate change have been denied direct, formal access to the independent members of its Board on matters of critical concern regarding climate change. Yet, as of the submission to the Company of this shareholder resolution only one of its Board members had any expertise in science and that was in chemistry.

THEREFORE, RESOLVED, shareholders request that, as elected board directors' terms of office expire, the Exxon Mobil Corporation's Board's Nominating Committee nominate for Board election at least one candidate who: has a high level of climate change expertise and experience in environmental matters relevant to hydrocarbon exploration and production, related risks, and alternative, renewable energy sources and is widely recognized in the business and environmental communities as such, as reasonably determined by ExxonMobil's Board, and will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.

Supporting Statement: Echoing the goals of CalPERS and State Street Global Advisors, the proponents of this resolution believe ExxonMobil's Board of Directors would benefit immensely by addressing the impact of climate change on its business at every level by electing to its Board independent specialists versed in all business aspects of climate change. Noting State Streets' call for support for resolutions that advance a company's financial and business interests, we believe adding climate competence to the board protects shareholder interests and our company's bottom line. Consequently we ask you to support this resolution.

### Board Oversight of Climate Change Policies

#### PNM Resources

WHEREAS: Climate Change is undeniable and companies in all sectors of the economy must adapt their business practices to mitigate the threat it poses to both business and society. Companies must respond rapidly and effectively to the challenges climate change presents and take advantage of the opportunities it offers.

The ratification of the 2015 Paris Agreement suggests that we can expect increasing local, state, national and global regulation directed at lessening the worst impacts of climate change. A prudent, and socially responsible, company must continue to prepare for this possibility.

Corporate boards have a responsibility to oversee sustainability issues like climate change to protect investor interests. And investors are calling for clear and expanded board oversight of corporate responses to climate change. The large institutional investors CalPERS and CalSTRS recently amended their corporate governance principles, calling for climate competence on the boards of their portfolio companies. State Street Global Advisors has also put forth its own guidance on how boards can improve oversight of risks related to climate change.

A number of leading companies have already embraced board oversight of climate change. Ford Motor Company's Board Sustainability and Innovation Committee has explicit responsibilities in the areas of "energy consumption, climate change, greenhouse gas" and other areas such as pollutant emissions. Companies like Apple, Cheniere Energy, ConocoPhillips and others have added experts in climate change to their board of directors.

While PNM Resources has made advances in its sustainability reporting, the Board itself has yet to take a prominent role in planning for climate change, and to report those efforts to investors. Currently there is no member of the board whose special competence is in issues related to climate change.

RESOLVED: To help address the critical social and business impacts of climate change, shareholders request that PNM Resources take the necessary steps to establish more effective board oversight of our company's policies and programs addressing climate change and report to shareholders on steps taken or planned by December 2017.

Supporting Statement: In determining how best to strengthen board oversight of how PNM Resources responds to the threats posed by climate change, we recommend consideration of the following options.

- Formalize climate change oversight in the structure of the board;
- Recruit candidates with expertise in climate change onto the board, and include this in qualifications for the board;
- Provide for informed oversight by the entire board through training and public engagement;
- Evaluate and report annually on the role of the board in overseeing climate change related risk and opportunities to PNM Resources.



### Executive Pay Tied to Resilience to Low-Carbon Scenarios

#### Devon Energy

**BE IT RESOLVED:** Shareholders request that Devon Energy issue a report that assesses, in light of global concerns about climate-change and the resultant pressures to transition to a low carbon economy, the benefits and risks of continuing to use oil and gas reserve additions as a metric in named executives' compensation. The report should be produced at reasonable cost and omit proprietary information.

**WHEREAS:** As long-term shareholders, we believe that compensation metrics should incentivize the creation of sustainable value. We further understand that the standards for sustainable value are changing as the global imperative to limit climate change becomes more urgent and energy markets transition toward a low carbon economy. Our company's incentive compensation should reflect this global change.

The Paris Agreement to accelerate greenhouse gas reductions underscores the challenges faced by the oil and gas industry in this changing environment. Government policies to speed the transition to a low carbon economy — including fuel efficiency standards, carbon pricing, and carbon emission standards — compel new planning metrics. Similarly, low carbon market forces, including competition from cleaner technologies compel new responses.

Emphasizing these trends, in October 2016, Fitch Ratings urged energy companies to plan for “radical change.”

Shareholders are concerned that tying executive compensation to growth of oil or gas reserves, without reference to the economic viability of those reserves at varying cost and price levels, may incentivize a continued focus on reserve growth at a time when management should be planning for a changing energy economy. This incentive may inappropriately encourage the addition of reserves which are likely to become stranded in a low carbon economy. Carbon Tracker estimates oil majors' combined upstream assets would be worth \$140 billion more if restricted to projects consistent with limiting climate change to 2 degrees. This compensation incentive may also discourage management from considering innovative new strategies such as diversification. Standard and Poor's notes that under a low price “stress scenario” associated with declining demand, the speed with which companies react and modify their strategies, including their investments, is an important potential rating consideration.

The recent volatility in oil and gas prices has only heightened the importance of management evaluating the costs and benefits of developing new oil and gas reserves, rather than simply amassing additional reserves in response to compensation incentives.

Accordingly, shareholders ask the company to assess the value of continuing to tie executive compensation to growth of oil and gas reserves; whether severing the link between reserves growth and executive compensation would better reflect increasing uncertainty over climate regulation and a decarbonizing global energy market; and what metrics more closely align senior executives' and long-term shareholders' interests.

### Executive Pay Tied to Resilience to Low-Carbon Scenarios

#### ConocoPhillips

RESOLVED, that shareholders of ConocoPhillips (“ConocoPhillips”) urge the Human Resources and Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which ConocoPhillips’ incentive compensation programs for senior executives promote resilience to low-carbon scenarios associated with efforts to limit global temperature rises to below 2 degrees Celsius (“2° Scenarios”), including the ways in which those programs:

- Align performance measurement and vesting periods, on the one hand, and the time horizon of risk associated with investment decisions, on the other;
- Link the amount of incentive pay to the volume of fossil fuel production or exploration;
- Reward, or not penalize, consideration of demand reductions projected in 2° Scenarios when allocating capital, especially to projects with higher break-even prices; and
- Encourage the development of a low-carbon transition strategy.

Supporting Statement: As long-term shareholders, we believe that incentive compensation programs should promote the creation of sustainable value. We are concerned that lower demand caused by measures to limit climate change may lead to lower fossil fuel prices over the medium and long term, as global governments begin to implement their commitment made at the 2015 Paris climate conference to hold global temperature rise to well under 2 degrees Celsius. Moreover, if the Paris target is not met, the systemic global economic consequences could depress demand for oil and gas.

Accordingly, it is crucial for fossil fuel companies to incentivize senior executives to plan for a low-carbon transition. Some aspects of ConocoPhillips’ incentive programs, however, are at odds with that objective. ConocoPhillips uses reserve replacement ratio as a metric to determine awards under the annual bonus and performance shares programs. As well, whether a company has “very large production and reserves” is a factor the Committee considers in constructing the compensation and performance peer groups used to design senior executive pay programs.

ConocoPhillips does not use any compensation metrics relating directly to low-carbon resilience or transition planning, which could help better align senior executives’ interests with those of long-term shareholders. Finally, ConocoPhillips does not appear to incorporate any scenario analysis in its senior executive compensation programs, despite the fact that it uses carbon scenarios, including a low-carbon scenario, to evaluate its current portfolio and investment options. (<http://www.conocophillips.com/sustainable-development/environment/climate-change/climate-changestrategy/Pages/default.aspx>).

The report requested in this proposal would allow shareholders to assess the extent to which ConocoPhillips’ senior executive compensation programs reward planning for a smooth transition to a low-carbon future in which ConocoPhillips delivers value to shareholders. The process of preparing the report would also, we expect, help to focus the Committee’s attention on the importance of aligning of incentives with longer-term strategic planning and capital allocation.

We urge shareholders to vote for this proposal.

### Public Health Risks of Coal Pollution

Duke Energy Corp.

WHEREAS: The use of coal produces well-established harms to public health including water contamination, poor air quality, and climate change:

- Water contamination. Coal burning results in coal waste—also called coal ash—which is laced with heavy metals such as arsenic, and which can contaminate water and raise cancer risk with long term exposure. Duke Energy had two high profile coal ash spills since 2014, at the Dan River and H.F. Lee coal plants, incurring brand damage, environmental and water impacts, and millions of dollars in clean-up costs.
- Harm to low income communities of color. Though the EPA and states regulate the management and disposal of coal ash, in 2016, the U.S. Civil Rights Commission criticized current regulations for disproportionately impacting low income communities of color.
- Declining air quality. Burning coal results in sulfur dioxide, nitrous oxide, mercury, and particulate matter. These pollutants can cause serious health problems such as respiratory illnesses, including asthma and lung diseases; heart attacks; reduced life expectancy; and increased infant mortality.
- Climate change. Coal burning releases carbon dioxide, which is the primary greenhouse gas driving climate change. Climate change results in many health harms and challenges from extreme temperatures, to declining air and water quality, to the spread of warm weather pests and diseases to new areas. In addition to the health impacts, climate change intensified extreme storms and flooding threaten the reliability and safety of coal ash infrastructure and increase the risk of water contamination. For example, Duke's coal ash spill at H.F. Lee coal plant occurred following flooding from Hurricane Matthew.

Despite all this, Duke remains committed to coal. As of 2013, Duke Energy burned the second highest level of coal of U.S. electric power producers, and had the highest carbon pollution emissions of any U.S. power producer. (Ceres, Benchmarking Utility Air Emissions, 2015)

RESOLVED: Shareholders request that Duke Energy publish a report assessing the public health impacts of its coal use on rates of illness, mortality, and infant death, due to coal related air and water pollution in communities adjacent to Duke's coal operations, and provide a financial analysis of the cost to the Company of coal-related public health harms, including potential liability and reputational damage. The report should be published by 2018, at reasonable expense, and omit proprietary information.

Supporting Statement: Investors request the report consider and describe:

- The public health impacts of climate change and how Duke Energy's coal burning exacerbates them;
- How the Company's coal operations, including its coal ash disposal, impacts the public health of low income communities of color, as per the report of the U.S. Civil Rights Commission.

### Climate Change Impacts of Increased Biomass Use

**NEW**

Dominion Resources, Inc.

WHEREAS: In 2015, the Paris Accord established global agreement on the need to limit global warming to 2 degrees Celsius. Limiting global warming requires the electric power sector to rapidly move away from fossil fuels. To do so, utilities and states are seeking alternatives to fossil fuels, including the incineration of organic matter — biomass — to generate energy.

Dominion currently owns approximately 236 MW of biomass generating facilities and plans to invest significantly more in biomass facilities, projecting to onboard over 2,000 MW of biomass capacity by 2020. This would represent approximately a third of its planned renewables. Dominion has stated that waste wood, a fuel utilized at its biomass plants is “renewable” and that “[a]lthough biomass burned as a fuel emits carbon dioxide, an equal amount of carbon is released into the atmosphere that would have been returned to it when the trees decayed as part of their natural life cycle”.

Claims that biomass is “carbon neutral” are controversial, and rely on other trees absorbing the carbon that results from burning biomass over decades or centuries, an outcome which is not guaranteed and relies on forest management outside the scope of most utilities’ operations. Indeed, scientists have found that “[f]orest biomass generally emits more greenhouse gases than fossil fuels per unit of energy produced.” (Manomet Center, 2010). Research has also found that burning wood for electricity may release up to 30% more CO<sub>2</sub> per unit of energy than coal, since biomass materials are less energy dense and therefore also less efficient than coal. (Manomet Center, 2010).

In addition to being potentially worse for the climate than fossil fuels, biomass creates incentives for deforestation, which further intensifies climate change. As biomass use escalates, “...the scale of demand for commercial and industrial applications cannot feasibly be met by the relatively small amounts of wastes”, creating a need to procure increasing amounts of woody biomass. (Wood Bioenergy: Green Land Grabs For Dirty ‘Renewable’ Energy, Global Forest Coalition, 2015). Scaling biomass may lead to an increase in demand for virgin wood resources, which has resulted wood commodity price spikes, and raises deforestation concerns.

RESOLVED: Shareholders request that Dominion prepare a report on the climate change impacts of its increased use of biomass, at reasonable cost and excluding proprietary information, evaluating the net greenhouse gas impact from each of the company’s current and planned biomass facilities, on a timeframe relevant to the near term need to reduce CO<sub>2</sub> emissions, and assessing risks to the company’s finances and operations posed by emerging public policies on climate change as they relate to biomass.

### Corporate Governance

ICCR members are mindful of the importance of strong corporate governance structures in reducing risk, improving corporate responsibility and strengthening long-term performance.

Traditionally, corporate governance resolutions focus on topics such as executive compensation, the ratio of CEO to worker pay, proxy voting policies, separation of the roles of CEO and Chairman, and vote counting methods.

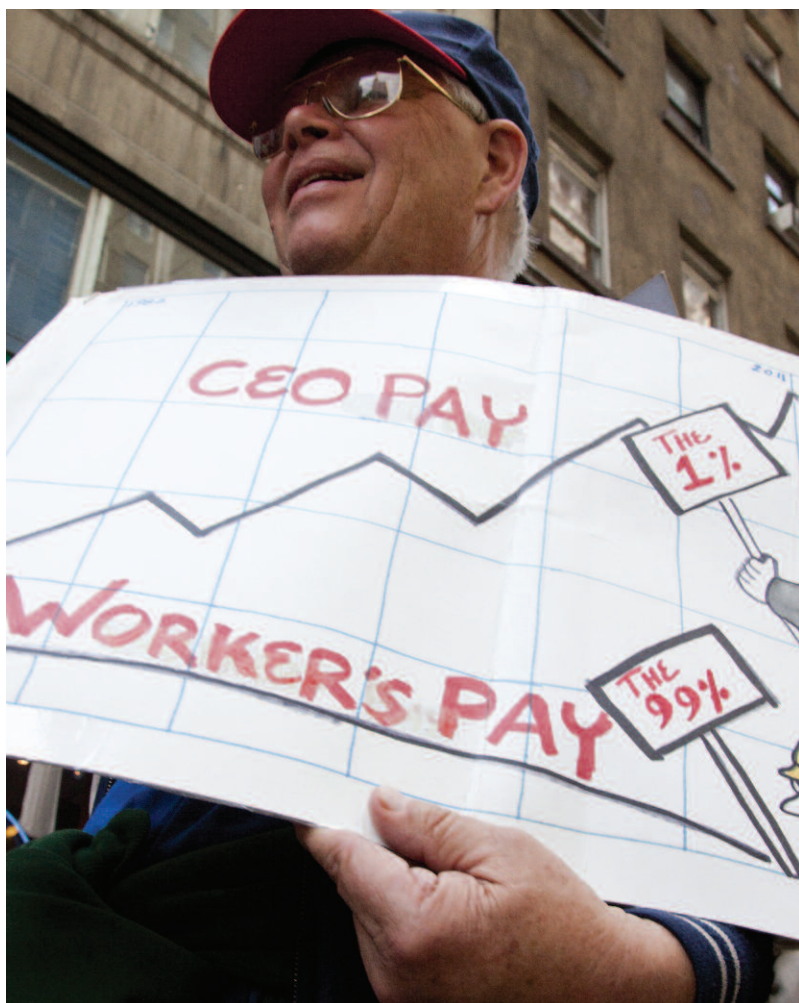
This year, investors focused chiefly on vote counting methods and separation of the roles of CEO and Chair. Overall, governance filings were down this year, from 40 to 25.

Proposal Topic	Quantity
<b>Corporate Governance</b>	<b>25</b>
CEO to Worker Pay Ratio	2
Executive Incentive Pay Clawback	1
Majority Vote	10
One Vote Per Share	1
Prohibit Virtual-Only AGM	1
Proxy Voting Policies – Executive Pay	1
Separate CEO & Chair	8
Shareowners Right to Call Special Meeting	1

### Proxy Voting Policies – Excessive CEO Pay

T. Rowe Price is an investment manager, and therefore responsible for voting proxies of companies in its portfolios. The company says it evaluates advisory votes on compensation packages on a case-by-case basis, and will vote no when there is “an unacceptable number of problematic pay elements”, and yet last year its level of opposition to overpaid CEO compensation packages was only 8%.

Investors asked T. Rowe Price to bring its voting practices in line with its stated principle of linking executive compensation and performance, including adopting changes to proxy voting guidelines.





“After an election marked by economic anxiety and resentment, Americans are wondering how to rebuild social trust. Economic inequality remains one of the major obstacles to that work. The richest one percent hold 40 percent of America’s wealth, and their incomes continue to grow faster than those at the bottom.

U.S. corporations — which typically pay CEOs 300 times more than their average workers — are driving the inequality problem. But the imbalance shouldn’t just worry politicians. In 2016, MSCI found that companies that paid top executives far more than they paid their rank-and-file workers had lower long-term profitability and lower labor productivity than firms that had narrow gaps between worker and executive pay. In the retail or food service sectors, the big divide between the minimum wage and highly-publicized CEO payouts can demoralize workers, hurting customer service and labor relations. Executives with salaries that increase far faster than average worker pay may be tempted to manage with the short term in mind, rather than focus on sustainable growth.

The SEC agrees that large and unexplained gaps between CEO pay and average worker pay can indicate risk. In 2018, under the Dodd-Frank law, U.S. companies will be required to publish the ratio between median worker compensation and the CEO’s annual total compensation. But our shareholder advocacy continues, because the SEC rule will be endangered in the Trump administration and because companies need to do more to “mind the gap” by: (1) explaining big changes in the CEO-to-worker pay ratio and (2) analyzing growing gaps against decisions that can harm a company’s human capital, like sizeable layoffs or cuts to worker wages and benefits.”

**Pat Miguel Tomaino, Associate Director of Socially Responsible Investing —Zevin Asset Management**

### CEO to Worker Pay Ratio

Investors and the general public remain concerned about the enormous disparity between what companies pay their CEOs versus their average workers, and the economic ramifications of the resultant decline in real wages.

This year, investors asked CVS Health and TJX to conduct a comparison of the total compensation packages of their senior executives with their employees’ median wages in 2007, 2012 and 2017; provide an analysis of changes in the relative size of the gap, and an analysis and rationale justifying this trend; and provide an evaluation of whether senior executive compensation packages should be modified.

### Prohibit Virtual-Only AGM

Face-to-face annual meetings traditionally make time for a Q&A between shareholders and the board of directors and executive leadership. In recent years a handful of corporations have sought to eliminate their in-person meetings and instead switch to a virtual “meeting” of shareholders that inhibits a more open exchange.

Arguing that virtual AGMs could allow companies to control which questions and concerns are heard and manipulate the exchanges between shareowners and the company, shareholders asked Comcast to create a policy affirming the continuation of in-person annual meetings, in addition to providing internet access to the meeting.

### Separate CEO & Chair

Chevron Corp.

**RESOLVED:** The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

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:** We believe that inadequate board oversight has led management to mishandle a number of issues in ways that significantly increase both risk and costs to shareholders. The most pressing of these issues is the ongoing legal effort by communities in Ecuador to enforce a \$9.5 billion judgment against Chevron for oil pollution.

When Chevron acquired Texaco in 2001, it acquired significant legal, financial, and reputational liabilities stemming from oil pollution of the water and lands of communities in the Ecuadorian Amazon. For twenty years the affected communities brought suit against Texaco (and later Chevron). The case reached its conclusion in November 2013 when the Ecuadorian National Court confirmed a \$9.5 billion judgment against Chevron.

The Ecuadorian plaintiffs have initiated legal actions to seize Chevron assets in Argentina, Brazil, and Canada. In September 2015, the Canadian Supreme Court ruled unanimously that the plaintiffs can proceed with asking Canadian courts to recognize and enforce the \$9.5 billion judgment, now nearly \$12 billion with statutory interest. The case is now in a Toronto trial court awaiting decision on pre-trial motions that could determine the scope of an enforcement trial which could take place in 2017.

Chevron management has acknowledged the serious risk to the company from enforcement of the \$9.5 billion judgment. Chevron's Deputy Controller, Rex Mitchell, has testified under oath that such seizures of Company assets "would cause significant, irreparable damage to Chevron's business reputation and business relationships."

However, we believe that Chevron has yet to report adequately these risks in either public filings or statements to shareholders. Investors have requested on several occasions that the U.S. Securities and Exchange Commission investigate whether Chevron violated securities laws by misrepresenting or materially omitting information in regard to the \$9.5 billion Ecuadorian judgment.

Instead of negotiating an expedient, fair, and comprehensive settlement with the affected communities in Ecuador, management has pursued a costly legal strategy that has led to significant missteps, including moving the case from New York to Ecuador. In a move without precedent, management has harassed and subpoenaed shareholders who have questioned the Company's legal strategy.

At Chevron's 2012 shareholder meeting 38 percent of shareholders voted in favor of this resolution.

An independent Chair would improve board oversight of management. Therefore, please vote FOR this common-sense governance reform.

### Separate CEO & Chair

#### Express Scripts

**RESOLVED:** Shareholders request our Board of Directors to adopt as policy, and amend our governing documents as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board.

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. The Board would have the discretion to phase in this policy for the next CEO transition.

**Supporting Statement:** It is the responsibility of the Board of Directors to protect shareholders' long-term interests by providing independent oversight of management. By setting agendas, priorities and procedures, the Chairman is critical in shaping the work of the Board.

Having a board chairman who is independent of the Company and its management is a practice that will promote greater management accountability to shareholders and lead to a more objective evaluation of management.

As Intel's former chair Andrew Grove stated, "The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?"

According to the Millstein Center for Corporate Governance and Performance (Yale School of Management), "The independent chair curbs conflicts of interest, promotes oversight of risk, manages the relationship between the board and CEO, serves as a conduit for regular communication with shareowners, and is a logical next step in the development of an independent board."

An NACD Blue Ribbon Commission on Directors' Professionalism recommended that an independent director should be charged with "organizing the board's evaluation of the CEO and provide ongoing feedback; chairing executive sessions of the board; setting the agenda and leading the board in anticipating and responding to crises." A blue-ribbon report from The Conference Board echoed that position.

A number of prominent institutional investors publicly advocate that a strong, objective board leader can best provide the necessary oversight of management. The California Public Employees' Retirement System's Global Principles of Accountable Corporate Governance recommends that a company's board should be chaired by an independent director, as does the Council of Institutional Investors.

Shareholders of our company gave an impressive 43% vote of support for this topic in 2015 and 46.8% in 2016. According to ISS (ISS 2015 Board Practices), 53% S&P 1,500 firms separate these two positions and the trend is growing.

An independent director serving as chairman can help ensure the functioning of an effective board. Please vote to enhance shareholder value:



### Separate CEO & Chair

#### Johnson & Johnson

*Similar resolutions were submitted to AbbVie, Emerson, Pfizer, Inc., United Parcel Service, Inc., Wells Fargo & Company.*

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

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: We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to be her/his own overseer as Chair while managing the business.

Johnson & Johnson's CEO Alex Gorsky serves both as CEO and Chair of the Company's Board of Directors. We believe the combination of these two roles in a single person weakens a corporation's governance structure, which can harm shareholder value.

As Andrew Grove, Intel's former chair, stated, "The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?"

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 empowering strong Board leadership. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. We believe a combined CEO / Chair creates a potential conflict of interest, resulting in excessive management influence on the Board and weaker oversight of management.

Numerous institutional investors recommend separation of these two roles. For example, California's Retirement System CalPERS' Principles & Guidelines encourage separation, even with a lead director in place.

According to ISS "2015 Board Practices", (April 2015), 53% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

Chairing and overseeing the Board is a time intensive responsibility. A separate Chair also frees the CEO to manage the company and build effective business strategies.

Many companies have separate and/or independent Chairs. An independent Chair is the prevailing practice in the United Kingdom and is an increasing trend in the U.S.

Shareholder resolutions urging separation of CEO and Chair received approximately 33% in 2015 and 31% in 2016, an indication of strong investor support.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.

### CEO to Worker Pay Ratio

#### CVS Health Corp

*A similar resolution was submitted to TJX Companies, Inc.*

WHEREAS: Recent events have increased concerns about the extraordinarily high levels of executive compensation at many U.S. corporations. Concerns about the structure of executive compensation packages have also intensified, with some suggesting compensation systems incentivize excessive risk-taking.

In a Forbes article on Wall Street pay, the director of the Program on Corporate Governance at Harvard Law School noted that “compensation policies will prove to be quite costly—excessively costly—to shareholders.” A study by Glass Lewis & Co. declared that compensation packages for the most highly paid U.S. executives “have been so over-the-top that they have skewed the standards for what’s reasonable.” That study also found CEO pay may be high even when performance is mediocre or dismal.

On July 25, 2015, The New York Times featured an extended front-page article entitled: “Pay Gap Widening as Top Workers Reap the Raises.” A September 5, 2015 New York Times article (“Low-Income Workers See Biggest Drop in Paychecks”) showed the decline in real wages (2009-2014) for the lowest-paid quintile was -5.7 percent while that of the highest-paid quintile was less than half of that: -2.6 percent.

A 2015 Harvard Business Review article cited a recent global study finding that CEO-to-worker pay ratio in most countries is “at least 50 to one,” but “in the United States it’s 354 to one.”

In a 2015 PayScale report, CVS Health had the largest ratio between CEO and employee pay among all companies studied: approximately 434 to 1.

Some companies have begun disclosing CEO-to-worker pay ratios in anticipation of the Pay Ratio Disclosure Rule approved by the Securities and Exchange Commission in August 2015. Beginning in 2018, that rule will require issuers to report the ratio between median employee compensation and the CEO’s total compensation.

RESOLVED: Shareholders request the Board’s Compensation Committee initiate a review of our company’s executive compensation policies and make available, upon request, a summary report of that review by October 1, 2017 (omitting confidential information and processed at a reasonable cost). We request that the report include:

- 1) A comparison of the total compensation package of senior executives and our employees’ median wage (including benefits) in the United States in July 2007, July 2012 and July 2017;
- 2) an analysis of changes in the relative size of the gap and an analysis and rationale justifying this trend;
- 3) an evaluation of whether our senior executive compensation packages (including, but not limited to, options, benefits, perks, loans and retirement agreements) should be modified to be kept within boundaries, such as that articulated in the Excessive Pay Shareholder Approval Act; and
- 4) an explanation of whether sizable layoffs or the level of pay of our lowest paid workers should result in an adjustment of senior executive pay to more reasonable and justifiable levels and how the Company will monitor this comparison annually in the future.

### Executive Incentive Pay Clawback

#### Valeant Pharmaceuticals International

RESOLVED, that shareholders of Valeant Pharmaceuticals International (“Valeant”) urge the Talent and Compensation Committee of the Board of Directors (the “Committee”) to amend Valeant’s clawback policy to provide that the Committee will (a) review, and determine whether to seek recoupment of, incentive compensation paid, granted or awarded to a senior executive if, in the Committee’s judgment,

(i) there has been misconduct resulting in a material violation of law or Valeant policy that causes significant financial or reputational harm to Valeant, and (ii) the senior executive committed the misconduct or failed in his or her responsibility to manage or monitor conduct or risks; and (b) disclose the circumstances of any recoupment if (i) required by law or regulation or (ii) the Committee determines that disclosure is in the best interests of Valeant and its shareholders.

“Recoupment” is (a) recovery of compensation already paid and (b) forfeiture, recapture, reduction or cancellation of amounts awarded or granted over which Valeant retains control. These amendments should operate prospectively and be implemented so as not to violate any contract, compensation plan, law or regulation.

Supporting Statement: As long-term shareholders, we believe that compensation policies should promote sustainable value creation. We agree with former GE general counsel Ben Heineman Jr. that recoupment policies with business-related misconduct triggers are “a powerful mechanism for holding senior leadership accountable to the fundamental mission of the corporation: proper risk taking balanced with proper risk management and the robust fusion of high performance with high integrity.” (<http://blogs.law.harvard.edu/corpgov/2010/08/13/making-sense-out-of-clawbacks/>).

In the event of a material financial restatement, Valeant’s policy permits the company to recover incentive compensation paid in the previous three years if the executive engaged in “intentional fraudulent or illegal misconduct” that contributed to the restatement and the compensation would have been lower had the restated results been the basis for the original compensation decision or award.

In our view, Valeant’s clawback is far too narrow. Recoupment is an important remedy for misconduct that does not cause a restatement but may harm Valeant’s reputation and prospects. (We note that Valeant has restated its financials, which may trigger some amount of clawback from certain executives. (<http://www.wsj.com/articles/valeantprovides-more-restatement-details-1458595922>)) As well, it may be appropriate to hold accountable a senior executive who did not commit misconduct but who failed in his or her management or monitoring responsibility.

Providing accountability for misconduct is especially important at Valeant in light of recent events. Public outrage over Valeant’s aggressive price increases, which in some cases involved 500% annual price jumps, has spurred Congressional scrutiny (<http://www.fiercepharma.com/pharma/valeant-s-price-hike-strategy-goes-far-beyond-two-high-profile-increases>) and a Justice Department investigation. (<http://www.nytimes.com/2015/10/15/business/valeant-under-investigation-for-its-drug-pricingpractices.html>) We are concerned that Valeant may have damaged key relationships with physicians as well as regulators. Valeant’s former CEO and CFO are the targets of a federal criminal accounting fraud probe. (<http://www.bloomberg.com/news/articles/2016-10-31/valeant-ex-ceo-ex-cfo-said-to-be-a-focus-of-u-s-criminal-probe>)

Finally, shareholders cannot monitor enforcement without disclosure. We are sensitive to privacy concerns and urge Valeant’s revised policy to provide for disclosure that does not violate privacy expectations (subject to laws requiring fuller disclosure).

We urge shareholders to vote FOR this proposal.

### Proxy Voting Policies – Executive Pay

T. Rowe Price Associates, Inc.

WHEREAS: T. Rowe Price, like all investment managers, is responsible for voting proxies of companies in its portfolios. It has a fiduciary responsibility to vote proxies in a responsible manner in the interests of its clients, which includes ensuring executive pay is not excessive and, if executive pay deviates from the average, it is strictly and sufficiently tied to performance.

We find T. Rowe Price's voting record on executive pay is weak and its guidelines confusing. The company says it will evaluate advisory votes on compensation packages on a case-by-case basis, and vote no when there is "an unacceptable number of problematic pay elements." The policy lists examples of such elements, including particular "objectionable structural features," but does not state what an unacceptable number of problematic pay elements is.

Each year, As You Sow publishes a report identifying companies with the most overpaid CEOs ("The Most Overpaid CEOs"). Last year T. Rowe Price's level of opposition to such overpaid CEO compensation packages was only 8%.

In comparison, Schwab voted against 35% of these pay packages; Legg Mason voted against 31% and Dimensional voted against 46%. The public funds, many of which take more seriously their role as universal owners, voted against even higher percentages. Florida State Board voted against 70% of pay packages at companies with overpaid CEOs; British Columbia Investment Board voted against 76%, and New York City Retirement Funds voted against 59% of these proposals.

Numerous academic studies, for example Lucien Bebchuck's "Pay Without Performance," indicate a history of growing executive pay disconnected from company performance. Even when companies purport to link performance, in reality they often do not.

RESOLVED: Shareowners request the Board of Directors issue a report prior to the next annual meeting, at reasonable cost and omitting proprietary information, which evaluates options for bringing its voting practices in line with its stated principle of linking executive compensation and performance, including: adopting more specific guidance in proxy voting guidelines, adopting best practices of other asset managers and independent rating agencies, and including a broader range of research sources and principles for interpreting compensation data. Such report should assess whether and how the proposed changes would advance the interests of its clients and shareholders.

### One Vote Per Share

Alphabet, Inc.

**RESOLVED:** Shareholders request that our Board take all practicable steps in its control toward initiating and adopting a recapitalization plan for all outstanding stock to have one vote per share. This would include efforts at the earliest practicable time toward encouragement and negotiation with Class B shareholders to request that they relinquish, for the common good of all shareholders, any preexisting rights. 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:** In our company's dual-class voting structure, each share of Class A common stock has one vote and each share of Class B common stock has 10 votes. As a result, Mr. Page and Mr. Brin currently control over 51% of our company's total voting power, with all insiders controlling nearly 60% of the vote. This raises concerns that the interests of public shareholders may be subordinated to those of our co-founders.

By allowing certain stock to have more voting power than other stock our company takes our public shareholder money but does not let us have an equal voice in our company's management. Without a voice, shareholders cannot hold management accountable. For example, despite the fact that more than 85% of outsiders (average shareholders) voted **AGAINST** the creation of a third class of stock (class C), the weight of the insiders' 10 votes per share allowed the passage of this proposal.

As of December 13, 2016, Institutional Shareholder Services (ISS), which rates companies on risk, gave our company a 10, its highest risk category, for shareholder rights and compensation.

News Corp. is another company like ours. "If you are buying shares in [News Corp.], it's buyer beware," says Sydney Finkelstein, a professor at Dartmouth's Tuck School of Business. "There is no management or leadership reason to have two classes of stock except to retain control." The Council of Institutional Investors asked NASDAQ and NYSE to stop listing new companies with dual share classes.

The 2016 version of this proposal won 192 million yes-votes.

Please vote to protect shareholder value.

### Prohibit Virtual-Only AGM

Comcast Corp.

WHEREAS: Comcast has adopted procedures allowing it to discontinue its physical stockholders meeting and hold a virtual meeting on-line a decision we find alarming.

We strongly support the use of new technologies to make annual meetings accessible to stakeholders who cannot attend in person. This will make "attendance" simpler for investors globally and is a creative tool expanding outreach.

But we do not believe that Internet-only meetings should be substituted for traditional in-person annual meetings. Instead they should be a complementary. We believe the tradition of in-person annual meetings plays an important role in holding management accountable to stockholders.

In contrast, online-only annual meetings could allow companies to control which questions and concerns are heard and manipulate the exchanges between shareowners and the company. Face-to-face annual meetings allow for an unfiltered dialogue between shareholders and management.

The Council of Institutional Investors, a coalition of America's largest pension funds with portfolios exceeding \$3 trillion, has among its published corporate governance guidelines for public companies, "Cyber meetings should only be a supplement to traditional in-person shareholder meetings, not a substitute."

Additionally, we believe in-person annual meetings are necessary for several reasons:

Annual meetings are one of the few opportunities for top management and the Board to interact directly, face-to-face, with a cross-section of their shareholders.

The digital divide persists in the United States and not all shareholders have access to computers.

Annual meetings provide for direct questions to be posed to the Chair of the Audit, Compensation or Governance Committees of the Board.

While some corporations argue eliminating face-to-face annual meeting can reduce costs and improve efficiency, we believe the investment in creating a physical space for shareholder meeting is money well spent.

We believe Comcast's decision is a controversial governance step for our company. This decision sets a precedent creating a "slippery slope" encouraging other companies to insulate themselves from shareholders. Imagine a company that wanted to downplay investor frustration over compensation policies or practices, or poor business decisions leading to substandard financial performance or questionable governance or environmental records. "Virtual" on-line meetings would be a perfect way to insulate them from shareholder interaction or to portray any opposition as insignificant. Imagine if Wells Fargo had a virtual meeting process and investors wanted to attend the AGM to discuss the recent fraud and steps to insure it didn't happen again.

In addition, if there was a major crisis with a company, a merger being proposed or a significant shareholder proposal, investors would want an in person stockholder meeting.

RESOLVED: Shareholders request the Comcast Board adopt a corporate governance policy affirming the continuation of in-person annual meetings in addition to internet access to the meeting, adjust its corporate practices accordingly, and publicize this policy to investors.

Concluding Statement: We ask our fellow shareowners to vote for this resolution supporting shareholder democracy and the longstanding tradition of in-person annual stockholder meetings.

### Majority Vote

Amgen Inc.

*Similar resolutions were submitted to Amazon, Baker Hughes, Charles Schwab, Hormel Foods, Intel, J.P. Morgan Chase, McDonald's, Morgan Stanley, Simon Property Group.*

RESOLVED: Amgen, Inc. ("Amgen") shareholders ask the Board to take or initiate steps to amend Company governing documents to provide that all non-binding matters presented by shareholders shall be decided by a simple majority of the votes cast FOR and AGAINST an item. This policy would apply to all such matters unless shareholders have approved higher thresholds, or applicable laws or stock exchange regulations dictate otherwise.

Supporting Statement: This proposal seeks greater transparency, clarity, and understanding around how informed stockholders vote on shareholder proposals.

A democratic "simple majority" formula includes votes cast FOR and AGAINST but not abstentions. It provides the most clear and accurate picture of the intent of shareowners who are both informed and decided, while not including in the formula the votes of abstaining voters who; by definition, have chosen not to express an opinion.

**70% of Amgen's U.S. peers employ a "simple majority" standard** (<http://bit.ly/AMGN-Peer-Voting-2016>). When abstaining voters choose to not express an opinion and mark ABSTAIN (whether they are confused, disinterested, agnostic, or lack time to become fully informed), it is apparent that their votes should be regarded as neither FOR nor AGAINST an item.)

Instead of this, Amgen counts ABSTAIN votes as if AGAINST every shareholder sponsored proposal.

**Is it reasonable for Amgen to assert it knows the will of undecided voters (and to artificially construe abstentions in favor of management)?** Amgen has implied that it must use the Delaware "default standard" (which includes abstentions). However, this nominal 'standard' is not mandated — it is what Delaware assigns to companies that do not proactively choose "simple majority" voting.

Research has demonstrated that the so-called "default standard" systematically disadvantages shareholders (<http://bit.ly/Voting-Research-Corporate-Secretary>).

How does it do this?

**By depressing the appearance of support for shareholder concerns.** The math is simple: When abstaining shareholders elect to not express an opinion, but then are treated as if having voted AGAINST a proposal, management benefits. This is because shareholder proposals normally appear in proxies only when management disagrees with the proposal or would rather avoid the subject.

**By subverting vote outcomes.** Historically, these practices have allowed management teams to describe numerous true majority votes on shareholder items as, instead, having 'failed'.

**By distorting communication.** Annual meeting votes offer the sole opportunity for most shareholders to communicate with Boards. Counting abstentions as de facto votes AGAINST shareholder proposals, management changes how outcomes are reported and how the public perceives support for shareholder concerns.

In contrast to how shareholder items are treated, we note that Amgen's Director Election (where management benefits from the appearance of strong support), does not count abstentions. Thus, management items and shareholder items do not receive equal treatment; though the Company has complete discretion to cure these inconsistencies in its voting policies.

To avert such discrepancies, a Council of Institutional Investors policy states: "... abstentions should be counted only for purposes of a quorum."

THEREFORE: Support accuracy, fairness, and good governance at Amgen by voting FOR simple majority vote-counting on shareholder-sponsored proposals.

### Shareowners Right to Call Special Meeting

#### Chevron

**RESOLVED:** Shareowners request that the Board of Chevron Corporation (“Chevron” or “Company”) take the steps necessary to amend Company bylaws and appropriate governing documents to give holders of 10% of outstanding common stock the power to call a special shareowners meeting. To the fullest extent permitted by law, such bylaw text in regard to calling a special meeting shall not contain exceptions or excluding conditions that apply only to shareowners but not to management or the Board.

**Supporting Statement:** This Proposal grants shareowners the ability to consider important matters which may arise between annual meetings, and augments the Board’s power to itself call a special meeting. This Proposal earned the support of 30% of shares voted in 2016 – representing nearly \$38 billion in shareholder value.

We believe management has mishandled a variety of issues in ways that significantly increase both risk and costs to shareholders. The most pressing of these issues is the ongoing legal effort by communities in Ecuador to enforce a \$9.5 billion judgment against Chevron for oil pollution.

When Chevron acquired Texaco in 2001, it inherited significant legal, financial, and reputational liabilities that stemmed from pollution of the water and lands of communities in the Ecuadorian Amazon. For twenty years the affected communities brought suit against Texaco (and subsequently Chevron). The case reached its conclusion in November 2013 when Ecuador’s equivalent to the U.S. Supreme Court, the Ecuadorian National Court, confirmed a \$9.5 billion judgment against Chevron.

Instead of negotiating an expedient, fair, and comprehensive settlement with the affected communities in Ecuador, Chevron pursued a costly legal strategy that resulted in significant missteps – including moving the case from New York to Ecuador. In an unprecedented move, management harassed and subpoenaed shareholders who questioned the advisability of the Company’s legal strategy.

Ecuadorian plaintiffs initiated legal actions to seize Chevron assets in Argentina, Brazil, and Canada. In September 2015, the Canadian Supreme Court ruled unanimously that plaintiffs can proceed with asking Canadian courts to recognize and enforce the \$9.5 billion judgment – which is now nearly \$12 billion with the addition of statutory interest. The case is now in a Toronto trial court awaiting determination of pre-trial motions that could establish the scope of a 2017 enforcement trial.

Chevron’s Deputy Controller, Rex Mitchell, testified under oath that such seizures of Company assets “would cause significant, irreparable damage to Chevron’s business reputation and business relationships.”

However, Chevron has yet to fully report these risks in either public filings or statements to shareholders. As a result, investors have requested that the U.S. Securities and Exchange Commission investigate whether Chevron violated securities laws by misrepresenting or materially omitting information in regard to the multi-billion Ecuadoran judgment.

For these reasons, shareholders need a lower threshold to call special meetings.

**THEREFORE:** Vote FOR common-sense governance enhancements that offer shareholders the critical right to address substantive concerns in a timely way.



## The Environment and Sustainability Reporting

ICCR members encourage corporations to manage their business operations in a responsible manner that safeguards resources for future generations and minimizes adverse environmental impacts. Environmental and sustainability resolutions typically reference topics such as recycling, e-waste, the environmental impacts of hydraulic fracturing, and environmental pollutants/toxins.

### Executive Pay: Incorporate Sustainability Metrics

Investors believe corporations that account for their environmental impacts and also integrate sustainability goals into their business planning mitigate risks and help ensure long-term profitability.

Investors asked Chipotle, Expeditors International, and Walgreens Boots Alliance to consider integrating company progress towards sustainability targets into the performance metrics of their senior executives.



Proposal Topic	Quantity
<b>Environment &amp; Sustainability Reporting</b>	<b>22</b>
Comprehensive Recycling & Reuse: Food & Beverage Packaging	1
Environmental Impacts of Non-Recyclable Packaging	3
Environmental Impacts of Continued Use of Foam Packing	2
Environmental Impact of Polystyrene Foam Beverage Cups	1
Executive Pay: Incorporate Sustainability Metrics	3
Report on Use of Nano Materials in Company's Products/Pkg	2
Risks Associated with Transporting Crude Oil By Rail	1
Shale Energy Operations – Quantitative Risk Management	2
Sustainability Reporting	7

### Hydraulic Fracturing/ Shale Energy Operations

“Fracking” is a widespread, controversial oil recovery method notorious for equipment failures, water contamination, and degraded local and regional air quality. Fracking bans have been enacted domestically in some states and in certain countries. Because fracking carries such enormous risks, it is critical that extractives companies put adequate operational safeguards in place. Yet, most do not adequately disclose their policies to prevent, manage, or reduce, the risks of their oil and gas extraction operations (see *Disclosing the Facts 2016: Transparency and Risk in Hydraulic Fracturing Operations*).

This year ICCR members asked Whiting Petroleum to report on its efforts to minimize the adverse environmental and community impacts of its hydraulic fracturing operations.

### Sustainability Reporting

While early sustainability reporting resolutions typically asked companies for their operating definitions of sustainability and to review current policies and plans, in recent years, shareholders' resolutions have evolved to include "asks" related to performance metrics. Investors argue that tracking and publicly reporting on sustainable business practices makes companies more responsive to their social and environmental impacts, which ultimately enhances shareholder value.

Shareholders filed sustainability reporting resolutions with 7 companies this year, including Acadia Healthcare, Chipotle, Emerson, and Texas Roadhouse. Each was asked to issue a sustainability report describing the company's policies, performance, and improvement targets related to key environmental, social, and governance (ESG) risks and opportunities, and to specify quantitative metrics. Acadia was asked to report its ESG risks and opportunities related to patient and worker safety, privacy and security, and energy and waste minimization.

### Environmental Impacts of Foam Packing & Foam Beverage Cups

Foam packing materials and cups are rarely recycled and break down into small indigestible pellets which animals often mistake for food. Further, foam has been shown to transfer hazardous chemicals to wildlife. Polystyrene foam packaging is one of the top items found in ocean beach cleanups.

Investors asked Amazon, McDonald's and Target to report on the environmental impacts of their continued use of foam packing materials and polystyrene foam beverage cups.



### Shale Energy Operations – Quantitative Risk Management

#### Whiting Petroleum Corp

WHEREAS: Extracting oil and gas from shale formations using hydraulic fracturing and horizontal drilling technology has become a controversial public issue. Leaks, spills, explosions, and community impacts have led to bans and moratoria in New York State and elsewhere in the U.S., putting the industry's social license to operate at risk. In particular, multiple efforts to ban hydraulic fracturing have occurred in states where Whiting operates, including North Dakota and Colorado.

Disclosure of management practices and their impacts is the primary means by which investors can assess how companies are managing the risks of their operations. The Department of Energy's Shale Gas Production Subcommittee recommended that companies "adopt a more visible commitment to using quantitative measures as a means of achieving best practice and demonstrating to the public that there is continuous improvement in reducing the environmental impact of shale gas production."

Whiting has been a laggard in the oil and gas industry in its disclosure practices. In a 2016 report "Disclosing the Facts: Transparency and Risk in Hydraulic Fracturing Operations", which scores companies on their disclosure of quantitative information to investors, Whiting scored only 2 out of 43 points for its disclosure practices, earning fewer points this year than it did in 2013. In comparison, this year BHP Billiton earned over 40 points and nine other companies earned 20 or more points.

Whiting was cited for 4 violations and 11 spills associated with hydraulic fracturing operations between 2009 and 2013 in Colorado alone (NRDC, Fracking's Most Wanted, 2015). These violations have increased shareholder concern about Whiting's operational practices.

Due to Whiting's poor disclosure performance, investors call for the Company to provide detailed, quantitative, comparable data about how it is managing the risks and reducing the impacts of its hydraulic fracturing extraction operations.

**BE IT RESOLVED:** Shareholders request the Board of Directors report to shareholders, using quantitative indicators, the results of company policies and practices, above and beyond regulatory requirements, to minimize the adverse environmental and community impacts from the company's hydraulic fracturing operations associated with shale formations. Such report should be prepared at reasonable cost, omitting confidential information.

**Supporting Statement:** Proponents suggest the report provide quantitative information for each play in which the company has substantial extraction operations, on issues including, at a minimum:

- Quantity of fresh water used for shale operations, including source;
- Goals and quantitative reporting on progress to reduce toxicity of drilling fluids?
- Quantitative reporting on methane leakage as a percentage of total production?
- Percentage of drilling residuals managed in closed loop systems?
- Numbers and categories of community complaints of alleged impact, and their resolution?
- Reductions in air emissions, including NOx and VOCs; and
- Practices for identifying and managing the hazards from naturally occurring radioactive materials.

### Shale Energy Operations – Quantitative Risk Management

#### Pioneer Natural Resources Company

WHEREAS, Extracting oil and gas from shale formations using hydraulic fracturing and horizontal drilling technology has become a controversial public issue. Leaks, spills, explosions and community impacts have led to bans and moratoria in multiple regions in the U.S., including New York State, and around the globe, putting the industry's social license to operate at risk.

Disclosure of management practices, and their impacts, is the primary means by which investors can assess how companies are managing risks. The Department of Energy's Shale Gas Production Subcommittee recommended in 2011 that companies "adopt a more visible commitment to using quantitative measures as a means of achieving best practice and demonstrating to the public that there is continuous improvement in reducing the environmental impact of shale gas production."

Pioneer Natural Resources Company is a laggard in the oil and gas industry in its reporting practices. In a 2015 report "Disclosing the Facts: Transparency and Risk in Hydraulic Fracturing Operations", which ranks companies on disclosure of quantitative information to investors, Pioneer scored only 3 points out of 39 on the scorecard's disclosure metrics. In comparison, one of its peers, BHP Billiton, scored 32 points for its disclosure practices.

In addition, Pioneer has been documented as having 16 environmental violations in Colorado alone from 2009 to 2013. (NRDC April 2015, Fracking's Most Wanted). These violations, alongside other impacts caused by the hydraulic fracturing industry, have increased shareholder concern about Pioneer's practices.

Due to its poor disclosure performance, investors call for Pioneer to provide detailed, quantitative, comparable data about how it is managing the risks and reducing the impacts of its hydraulic fracturing extraction operations.

**BE IT RESOLVED:** Shareholders request the Board of Directors report to shareholders using quantitative indicators, by December 31, 2017, and annually thereafter, the results of company policies and practices, above and beyond regulatory requirements, to minimize the adverse environmental and community impacts from the company's hydraulic fracturing operations associated with shale formations. Such report should be prepared at reasonable cost, omitting confidential information.

Supporting Statement: Proponents suggest the report include a breakdown by geographic region, such as each shale play in which the company engages in substantial extractions operations, addressing at a minimum:

- Goals and quantitative reporting on progress to reduce toxicity of drilling fluids;
- Percentage of wells using "green completions";
- Percentage emissions rate for methane from drilling, completion, and production operations;
- Percentage of drilling residuals managed in closed loop systems;
- Reductions in air emissions, including NOx and VOCs; and
- Numbers and categories of community complaints of alleged impacts, and their resolution

### Risks Associated with Transporting Crude Oil By Rail

Norfolk Southern Corporation

WHEREAS, on December 30 2013, the third high-profile oil train explosion in the previous six months took place in North Dakota. Earlier, a train carrying Bakken crude oil derailed and exploded in Lac-Mégantic, Quebec, on July 6, 2013, killing 47 people and leveling the town center in an oil-fueled inferno (EnergyWire, July 17, 2013). According to Midwest Energy News, this “reignited a debate over the relative safety of rail and pipeline transport,” noting that crude from North Dakota’s Bakken Shale “may be more flammable” than other oil types (E&ENewsPM, January 2, 2014)”;

Commenting on these rail catastrophes, James Beardsley, global rail practice leader for Marsh & McLennan Cos. insurance brokerage unit, stated: “There is not currently enough available coverage in the commercial insurance market anywhere in the world to cover the worst-case scenario” ([http://online.wsj.com/news/article\\_email/SB10001424052702304773104579268871635384130-IMyQjAxMTA0MDAwOTEwNDkyWj](http://online.wsj.com/news/article_email/SB10001424052702304773104579268871635384130-IMyQjAxMTA0MDAwOTEwNDkyWj)). As May 2016 Chicago Magazine article puts it: “In addition to the human and environmental costs, one terrible accident could put a railroad company out of business.” (<http://www.chicagomag.com/Chicago-Magazine/May-2016/Bomb-Trains/>) Transportation of hazardous materials poses significant financial and reputational risk to the company, and as stakeholders we want to ensure proper board oversight of those risks;

According to its 2016 Sustainability Report, Norfolk Southern’s shipments of hazardous materials have increased since 2015. The Department of Transportation issued a call for comment in November 2016, signaling their intention to bring new regulations regarding the transportation of hazardous materials into force before the end of the year. Although these measures focus primarily on treatment and testing of material before shipment, regular and meaningful board appraisal of the risks and opportunities related to hazardous material shipment is essential.

**RESOLVED:** Shareholders request that Norfolk Southern Board of Directors issue a report describing current company efforts to assess, review, and mitigate risks of hazardous material transportation, including crude oil, within six months of the 2017 annual meeting, barring competitive information and at reasonable cost.

Supporting Statement: We recommend the report include: an outline of the Board of Director’s role in managing risk posed by hazardous material transportation, including any actions company management takes to inform the board of risks and opportunities relating to the transportation of hazardous material.

### Report on Use of Nano Materials in Company's Products/Pkg Walgreens Boots Alliance

*A similar resolution was submitted to Mead Johnson Nutrition Co.*

WHEREAS: Walgreen's Well Beginnings™ Advantage® infant formula has been reported to contain engineered hydroxyapatite (HA) nanoparticles in both needle-like and non-needle-like forms, according to independent laboratory testing commissioned by the non-profit Friends of the Earth.

The E.U. Scientific Committee on Consumer Safety (SCCS) has determined that nano-HA may be toxic to humans and that the needle-form of nano-HA should not be used in products (SCCS/1566/15). Additionally, manufacturer warnings suggest nano-HA may pose an inhalation hazard — making dry formula potentially dangerous for both babies and parents.

Companies that use, intend to use, or simply allow the use of nanomaterials face significant financial, legal, and reputational risk. This is even more likely when the safety of the nanoparticle has been raised by regulatory bodies and is being used in infant formula since infants are especially vulnerable.

HA is likely being used as a calcium supplement; there are alternative calcium sources that do not carry the same risk, which Walgreens can and should use in its infant formula.

Nanotechnology is the science of manipulating matter at the molecular scale to build structures, tools, or products. While nanotechnology allows the creation of new particles and devices, the scientific community has raised serious questions about the safety of nanoparticles to health, especially inorganic and engineered particles.

Research suggests that nanoparticles' small size makes them more likely to enter cells, tissues, and organs where they may interfere with normal cellular function and cause inflammation, damage, and cell death (Trouiller 2009; Lai 2008; Gerloff 2009; Tassinari 2013; Gui 2013; Lucarelli 2004).

There is no consensus on what size is safe, or what long-term effects these materials may have. The FDA has not enacted regulations to protect consumer health related to the use of nanomaterials in food, but has issued guidance stating:

Nanoparticles can have chemical, physical, and biological properties that differ from those of their larger counterparts; and

"We are not aware of any food ingredient . . . intentionally engineered on the nanometer scale for which there are generally available safety data sufficient to serve as the foundation for a determination that [its] use . . . is GRAS [Generally Recognized As Safe]."

Food companies such as Starbucks, Panera Bread, Dunkin Donuts, and Krispy Kreme are beginning to replace and/or avoid nanomaterials in their food products.

RESOLVED: Shareholders request the Board publish, within 12 months of the annual meeting, at reasonable cost and excluding proprietary information, a report on potential health hazards of nanomaterials, identifying the types of the company's products or packaging that currently contain nanoparticles, and stating any actions management is taking to reduce or eliminate health and environmental impacts, such as eliminating the use of such nanomaterials until or unless they are proven safe through long-term testing.

### **Comprehensive Recycling & Reuse: Food & Beverage Packaging**

Dunkin' Brands Group, Inc.

WHEREAS: Discarded food service packaging is a source of avoidable waste, a significant consumer of natural resources and energy, and implicated in impairment and death of marine animals. About half of U.S. product packaging is discarded rather than recycled. Landfilled paper packaging creates methane, a potent greenhouse gas. Only a negligible amount of food service packaging is recycled. The value of recyclable packaging in the U.S. that is wasted is estimated at \$11 billion annually.

Plastic packaging waste is a large component of marine debris. In the marine environment, plastics break down into small indigestible particles that birds and marine mammals mistake for food, resulting in impairment and death. Most of the debris found on beaches is plastic packaging or containers like polystyrene foam coffee cups, lids, food wrappers, utensils, and straws. Environmental Protection Agency studies suggest a synergistic effect between plastic debris and persistent toxic chemicals in waterways. Plastic particles absorb toxics such as dioxins from water and can transfer them to the marine food web and potentially to human diets. If no actions are taken, oceans are expected to contain more plastic than fish by 2050.

Despite a pledge to phase out polystyrene foam hot beverage cups, Dunkin' Donuts continues to use them. Foam cups may pose a higher risk to marine biota than other plastics due to their hazardous constituent chemicals and ability to accumulate high concentrations of water borne toxins in a relatively short period of time. Our company has identified waste management as an important material issue, yet it does not routinely provide recycling bins for foam cups at its restaurants, nor does it have goals or timelines for recycling food and beverage packaging, boosting recycled content in cups, or for materials source reduction through promotion of reusable beverage containers.

The company lags its competitors on recycling and reuse. Starbucks has committed to recycle all paper and plastic cups left in its stores, has recycled content in its cups, has set a reusable container servings goal, and offers a discount for customers who bring in reusable beverage containers. McDonald's has completed phase out of foam cups in the U.S. and pledged to reduce waste, including packaging, by 50% in top markets by 2020.

RESOLVED: Shareowners of Dunkin' Brands request the board of directors to prepare a report on the feasibility of developing a comprehensive recycling and reuse policy for food and beverage packaging to conserve resources, and reduce water pollution and greenhouse gas emissions. The report, to be prepared at reasonable cost, may omit confidential information.

Supporting Statement: The report should include substantive, detailed discussion of ways to develop aggressive recycling or composting goals for food service packaging (on-site and to-go), container reuse goals, and recycled content goals for packaging. We believe the requested report is in the best interest of the company and its shareholders. Leadership in this area will protect our brand and enhance the company's reputation.

### Environmental Impacts of Non-Recyclable Packaging

#### Kraft Heinz Company

*A similar resolution was submitted to Kroger.*

WHEREAS: The Kraft Heinz Company states it is “dedicated to the sustainable health of our people, our planet and our company,” yet a significant amount of its brand product packaging is not recyclable. Non-recyclable packaging exacerbates already difficult efforts to recycle more materials. New studies suggest that discarded plastic packaging which reaches the ocean is toxic to marine animals and potentially to humans.

Kraft Capri-Sun and Kool-Aid Jammers juice drinks, and Heinz pouch pack ketchup are examples of products packaged in laminate pouches that cannot be recycled and are rarely collected for recovery. They are designed for the dump, not for recycling. Capri-Sun could be dispensed in recyclable PET plastic or glass bottles, paper cartons or aluminum cans as are Minute Maid, Juicy Juice, Tropicana and other juice brands. Using non-recyclable packaging when recyclable alternatives are available wastes valuable resources such as aluminum that could be perpetually recycled.

An estimated 5 billion units of Capri-Sun are sold worldwide. Only 14% of plastic packaging is collected for recycling. Billions of pouches, representing significant amounts of embedded value and energy, lie buried in landfills. Non-recyclable packaging is more likely to be littered, swept into waterways and break down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food. A recent study of 29 rivers flowing into the Great Lakes found every sample to be carrying a variety of microplastics, often in concentrations far larger than detected in the lakes themselves.

A UN Environment Program report estimated that plastic does \$13 billion in damage to marine ecosystems annually. California spends nearly \$500 million annually preventing trash, much of it packaging, from polluting beaches, rivers and oceanfront. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050.

U.S. Environmental Protection Agency studies suggest a synergistic effect between persistent toxic chemicals and plastic debris. Plastics absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

Better management of plastic could save consumer goods companies \$4 billion a year. Making all packaging recyclable is the first step to reduce the threat posed by ocean debris. Shareholders deserve an explanation why the company has not made stronger efforts to reduce non-recyclable packaging.

BE IT RESOLVED THAT: Shareowners of Kraft Heinz request that the board of directors issue a report at reasonable cost, omitting confidential information, assessing the environmental impacts of continuing to use non-recyclable brand packaging.

Supporting Statement: Proponents believe the report should include an assessment of the reputational, financial and operational risks associated with continuing to use non-recyclable brand packaging and if possible, goals and a timeline to phase out non-recyclable packaging; or provide evidence of substantive actions taken to make these materials recyclable.



### Environmental Impacts of Non-Recyclable Packaging

Mondelez International, Inc.

WHEREAS: Mondelez International's environmental policy states the company "is committed to reducing the environmental impact of our activities, preventing pollution and promoting the sustainability of the natural resources upon which we depend..." yet a significant amount of brand product packaging is not recyclable and new studies suggest plastic packaging that degrades in waterways is toxic to marine animals and potentially to humans. The environmental cost to society of consumer plastic products and packaging exceeds \$139 billion annually, according to the American Chemistry Council. Mondelez's specific use of plastic materials incurs an estimated \$115 million in annual environmental costs.

Our iconic brands like Oreo and Chips Ahoy are increasingly packaged in flexible film or other plastic packaging, such as pouches, that are not recyclable. Using non-recyclable packaging when recyclable alternatives are available wastes valuable resources. Only 14% of plastic packaging is recycled. Billions of discarded plastic wrappers and pouches representing significant amounts of embedded energy are incinerated or lie buried in landfills. Many of these brands could be sold in recyclable fiber or plastic packaging.

Non-recyclable packaging is more likely to be littered and carried into waterways. In the marine environment, plastics break down into small indigestible particles that birds and marine mammals mistake for food, resulting in illness and death. A recent assessment of marine debris by a panel of the Global Environment Facility concluded that an underlying cause of debris entering oceans is "design and marketing of products internationally without appropriate regard to their environmental fate or ability to be recycled in the locations where sold..."

If no actions are taken, oceans are expected to contain more plastic than fish by 2050! California spends nearly \$500 million annually preventing trash, including packaging, from polluting beaches, rivers, and oceanfront. Scientific studies suggest a synergistic effect between persistent toxic chemicals and plastic debris. Plastics absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

Making all packaging recyclable to the extent possible is the first step to reduce the threat posed by plastic debris in waterways. Colgate-Palmolive, PepsiCo, Procter & Gamble, and Walmart have set public packaging recyclability goals. Companies who aspire to corporate sustainability yet use these risky materials should explain why they use so much non-recyclable packaging. Companies should also work with recyclers and municipalities to assure that more recyclable packaging actually gets collected and recycled.

RESOLVED: Shareowners of Mondelez International request the Board to issue a report at reasonable cost, omitting confidential information, assessing the environmental impacts of continuing to use non-recyclable brand packaging.

Supporting Statement: Proponents believe the report should include an assessment of the reputational, financial, and operational risks associated with continuing to use non-recyclable brand packaging, discuss investments in packaging recycling technologies, and to the extent possible, goals and a timeline to phase out non-recyclable packaging.

### Environmental Impacts of Continued Use of Foam Packing

Amazon.com, Inc

*A similar resolution was submitted to Target Corp.*

WHEREAS: Amazon.com says it is “constantly looking for ways to further reduce our environmental impact”, yet continues to use polystyrene-based foam packing materials in e-commerce while competitors such as Dell and Ikea are phasing them out.

The Sustainable Packaging Coalition defines sustainable packaging as “beneficial, safe and healthy for individuals and communities throughout its life cycle.” The International Agency for Research on Cancer has determined that styrene, used in the production of polystyrene, is a possible human carcinogen. Epidemiologic studies suggest an association between occupational styrene exposure and an increased risk of leukemia and lymphoma.

Polystyrene foam packaging is among the top items found in ocean beach cleanups. Foam packing materials are rarely recycled and break down into small indigestible pellets which animals mistake for food. Ingestion can result in death as demonstrated in birds, turtles, and whales. Foam has also been shown to transfer hazardous chemicals to wildlife. Plastics absorb toxics like PCBs, pesticides, and metals from water, transferring them to the marine food web and potentially to human diets, increasing risk of adverse effects to wildlife and humans.

Foam may pose a higher risk to marine animals than other plastics due to its hazardous constituent chemicals and research showing it can accumulate high concentrations of water borne toxins in a short time frame. Polystyrene has caused decreased reproduction in laboratory populations of oysters and fish.

Antigua and Barbuda, Bangladesh, Barbados, France, Guyana, Haiti, Rwanda, Taiwan and states in India and Malaysia have enacted bans on foam packaging. More than 100 U.S. cities or counties banned or restricted foam packaging. Amazon needs to explore options including phase out in advance of further regulatory developments.

Fresh waters are also threatened by plastics like polystyrene. A recent study of 29 rivers flowing into the Great Lakes found that every sample carried microplastics, often in concentrations far larger than detected in the lakes themselves. The problem can be exacerbated in developing countries with less sophisticated solid waste management systems.

The company says it is “always driving improvements in the sustainability of packaging across Amazon’s supply chain, starting with our own packaging” yet continues to use foam packing materials. E-commerce competitors Ikea and Dell have made public commitments to phase out use of foam in favor of safer materials like molded pulp.

BE IT RESOLVED THAT: Shareowners of Amazon.com request that the board of directors issue a report at reasonable cost, omitting confidential information, assessing the environmental impacts of continued use of foam packing materials, including quantifying the amount that could reach the environment, and assessing the potential for increased risk of adverse health effects to marine animals and humans.

Supporting Statement: Proponents believe the report should also include assessment of the reputational, financial, and operational risks associated with continued use of foam packing materials and a timeline to phase out use if possible. We believe the requested report is in the best interest of Amazon.com and its shareholders. Leadership in this area will protect our brand.

### **Environmental Impact of Polystyrene Foam Beverage Cups**

McDonald's Corp.

WHEREAS: McDonald's Corp. has stated its aspiration to "source all of our food and packaging sustainably," yet continues to use polystyrene-based foam beverage cups in some overseas markets years after phasing them out in the United States.

The Sustainable Packaging Coalition, of which McDonald's is a member, defines sustainable packaging as "beneficial, safe and healthy for individuals and communities throughout its life cycle." The International Agency for Research on Cancer has determined that styrene, used in the production of polystyrene, is a possible human carcinogen. Epidemiologic studies suggest an association between occupational styrene exposure and an increased risk of leukemia and lymphoma.

Polystyrene foam used for coffee cups, takeout containers and packing materials, is rarely recycled. It is often swept into waterways and is one of the top items found in ocean beach cleanups. Foam packaging materials break down into small indigestible pellets which animals mistake for food. Ingestion can result in death as demonstrated in birds, turtles, and whales.

Foam has also been shown to transfer hazardous chemicals to wildlife. Plastics absorb toxics like PCBs, pesticides, and metals from water, transferring them to the marine food web and potentially to human diets, increasing risk of adverse effects to wildlife and humans. Foam may pose a higher risk to marine animals than other plastics due to its hazardous constituent chemicals and research showing it can accumulate high concentrations of water borne toxins in a short time frame. Polystyrene has caused decreased reproduction in laboratory populations of oysters and fish.

Antigua and Barbuda, Bangladesh, Barbados, France, Guyana, Haiti, Rwanda, Taiwan and states in India and Malaysia have enacted bans on foam packaging. More than 100 U.S. cities or counties have banned or restricted foam packaging. The problem can be exacerbated in developing countries with less sophisticated solid waste management systems. Recent scientific research estimates that one half of ocean plastic deposition comes from several rapidly developing Asian countries including China and the Philippines where McDonald's still uses foam cups in some areas.

Fresh waters are also threatened by plastics like polystyrene. A recent study of 29 rivers flowing into the Great Lakes found that every sample carried microplastics, often in concentrations far larger than detected in the lakes themselves.

**BE IT RESOLVED THAT:** Shareowners of McDonald's request that the board of directors issue a report at reasonable cost, omitting confidential information, assessing the environmental impacts of continued use of polystyrene foam beverage cups, including quantifying the amount that could reach the environment, and assessing the potential for increased risk of adverse health effects to marine animals and humans.

Supporting Statement: Proponents believe the report should include an assessment of the reputational, financial and operational risks associated with continuing to use foam cups and a timeline to phase out their use. We believe the requested report is in the best interest of McDonald's and its shareholders. Leadership in this area will protect our brand and enhance the company's reputation.

### Executive Pay: Incorporate Sustainability Metrics

#### Walgreens Boots Alliance

**RESOLVED:** Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics into the performance measures of senior executives under the Company's compensation incentive plans. Sustainability is defined as how environmental and social considerations, and related financial impacts, are integrated into corporate strategy over the long term.

**Supporting Statement:** Effectively managing for sustainability offers positive opportunities for companies and should be a key metric by which executives are judged.

Linking sustainability metrics to executive compensation could reduce risks related to sustainability under-performance, incent employees to meet sustainability goals and achieve resultant benefits, and increase accountability. Examples relevant to our company could include: corporate-wide energy efficiency targets, the amount of toxic materials contained in products sold, and GHG emissions from transportation fuel.

**WHEREAS:** Numerous studies suggest companies that integrate environmental, social and governance factors into their business strategy reduce reputational, legal and regulatory risks and improve long-term performance.

A large and diverse group of companies has integrated sustainability metrics into executive pay incentive plans, among them CVS, Unilever, Koninklijke DSM, Walmart, and Mead Johnson.

The 2016 Glass Lewis report *In-Depth: Linking Compensation to Sustainability*, finds 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."

A 2012 guidance issued by the United Nations Principles for Responsible Investment and the UN Global Compact found "the inclusion of appropriate Environmental, Social and Governance (ESG) issues within executive management goals and incentive schemes can be an important factor in the creation and protection of long-term shareholder value."

A 2011 study of 490 global companies found that including sustainability targets in remuneration packages was sufficient to encourage sustainable development.

In 2013, CH2MHill found that firms that set tangible sustainability goals are more likely to tie executive compensation to the achievement of sustainability goals.

The increasing incorporation of sustainability metrics into executive pay evaluative criteria stems from the growing recognition that sustainability strategies can drive growth, and enhance profitability and shareholder value.

According to the largest study of CEOs on sustainability to date (*CEO Study on Sustainability 2013*, UN Global Compact and Accenture):

- 76 percent believe embedding sustainability into core business will drive revenue growth and new opportunities.
- 93 percent regard sustainability as key to success.
- 86 percent believe sustainability should be integrated into compensation discussions, and 67 percent report they already do.

A 2012 Harvard Business School study concluded that firms that adopted social and environmental policies significantly outperformed counterparts in long terms stock market and accounting performance.

In 2013, the Carbon Disclosure Project and Sustainable Insight Capital Management found companies with industry-leading climate change positions exhibited better return on equity, cash flow stability and dividend growth than their peers.

A 2010 study found analysts are more likely to recommend a stock "buy" for companies that have strong corporate responsibility strategies.

### Executive Pay: Incorporate Sustainability Metrics

Chipotle Mexican Grill, Inc.

*A similar resolution was submitted to Expeditors International of Washington.*

**RESOLVED:** Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics into the performance measures of senior executives under the Chipotle Mexican Grill's compensation incentive plans. Sustainability is defined as how environmental and social considerations, and related financial impacts, are integrated into corporate strategy over the long term.

**WHEREAS:** A large and diverse group of companies has integrated sustainability metrics into executive pay incentive plans, among them Unilever, Pepsi, Walmart, Group Danone and Mead Johnson.

Numerous studies suggest companies that integrate environmental, social and governance factors into their business strategy reduce reputational, legal and regulatory risks and improve long-term performance.

According to the largest study of CEOs on sustainability to date (CEO Study on Sustainability 2013, UN Global Compact and Accenture):

76 percent believe embedding sustainability into core business will drive revenue growth and new opportunities.

93 percent regard sustainability as key to success.

86 percent believe sustainability should be integrated into compensation discussions, and 67 percent report they already do.

A 2012 Harvard Business School study concluded that firms that adopted social and environmental policies significantly outperformed counterparts over the long-term, in terms of stock market and accounting performance.

In 2013, the Carbon Disclosure Project and Sustainable Insight Capital Management found companies with industry leading climate change positions exhibited better performance than peers, measured by return on equity, cash flow stability and dividend growth.

The Glass Lewis report *In Depth: Linking Executive Pay to Sustainability* (2016), finds 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."

A 2012 report by the United Nations Principles for Responsible Investment and the UN Global Compact found "the inclusion of appropriate Environmental, Social and Governance (ESG) issues within executive management goals and incentive schemes can be an important factor in the creation and protection of long-term shareholder value."

A 2011 study of 490 global companies found that including sustainability targets in remuneration packages was sufficient to encourage sustainable development.

In 2013, CH2MHill found that firms that set tangible sustainability goals are more likely to tie executive compensation to the achievement of sustainability goals.

**Supporting Statement:** Effectively managing for sustainability offers positive opportunities for companies, and we believe should be a key area in which executives should be evaluated.

Linking sustainability metrics to executive compensation could reduce risks related to sustainability under-performance, incent employees to meet sustainability goals and achieve resultant benefits, and increase accountability. Examples of such metrics might include: greenhouse gas emissions measurements, energy and water consumption per unit of product output (or dollar of revenue), renewable energy consumption, volume of recycling packaging used, and food and worker safety incidents.

### Sustainability Reporting

#### Emerson

**RESOLVED:** Shareholders request Emerson Electric (Emerson) issue a sustainability report describing the company's policies, performance, and improvement targets related to key environmental, social and governance (ESG) risks and opportunities. The report should be available on the company website by December 31, 2017, prepared at reasonable cost and omitting proprietary information.

**Supporting Statement:** We believe tracking and reporting ESG practices strengthens a company's ability to compete in today's global business environment, which is characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies capture value from existing sustainability efforts, identify gaps and opportunities, develop company-wide communications, and recruit and retain employees.

Emerson's corporate repositioning offers an opportunity to establish ESG performance goals and develop a framework for reporting to shareholders, in alignment with Chairman Farr's statement that Emerson is "undertaking several initiatives that will strengthen our core business and drive both near- and long-term value for our customers and shareholders."<sup>1</sup> A 2014 study by Harvard Business School on corporate investment in ESG practices reports consistent outperformance among sustainability leaders and suggests a supporting factor is the "propensity to engage with stakeholders and disclose nonfinancial information to the market." The study concluded "a company can be rewarded for adopting [ESG] practices: higher profits and stock return, a lower cost of capital, and better corporate reputation scores are the key benefits enjoyed..."<sup>2</sup>

Currently, Emerson's corporate citizenship website includes short descriptions of programs and guiding principles related to ESG issues. However, these disclosures are mainly anecdotal and focus on the environmental benefits of the company's products rather than providing information about Emerson's operational ESG performance.

Sustainability reports commonly include data on indicators such as occupational safety and health, vendor and labor standards, waste, water usage, energy efficiency, workforce diversity, product-related environmental impacts, and goals by which to judge the company's performance and management of these issues. As shareholders, we believe management of the above indicators can reduce regulatory, legal, reputational and financial risk to the company and its shareholders. In last year's proxy statement, Emerson indicated partial management of these important issues; however, Emerson does not disclose quantitative, company-wide data, leaving investors unable to assess the company's competitive positioning.

In contrast, Schneider Electric, a peer in the electrical components and equipment industry, uses a materiality matrix to prioritize ESG issues and publishes quarterly updates on progress toward sixteen ESG goals. General Electric tracks multiple ESG goals (several of which are quantitative and time bound) and publishes multiyear progress reports.

Emerson is missing an opportunity to communicate with its shareholders about the company's strategy to manage these potentially material factors. Emerson may also be failing to recognize and act on ESG-related opportunities.

Last year 47% of shares (excluding abstentions) voted in favor of this resolution. Such strong support presents a clear opportunity for the company to demonstrate it is listening and responding to its shareholders.

<sup>1</sup> <http://www.emerson.com/SiteCollectionDocuments/AnnualReport2015/letter.html>

<sup>2</sup> <https://corpgov.law.harvard.edu/2015/08/05/corporate-investment-in-esg-practices/>

### Sustainability Reporting

Ameriprise Financial, Inc.

WHEREAS: Managing and reporting environmental, social and governance (ESG) business practices helps companies compete in a global business environment characterized by finite natural resources, changing legislation, and heightened public expectations. Reporting allows companies to publicize and gain strategic value from existing sustainability efforts and identify emerging risks and opportunities. ESG issues can pose significant risks, and without proper disclosure, stakeholders and analysts cannot ascertain whether the company is managing its ESG exposure.

The link between strong sustainability management and value creation is increasingly evident. A 2012 Deutsche Bank review of 100 academic studies, 56 research papers, two literature reviews, and four meta studies on sustainable investing found 89% of studies demonstrated that companies with high ESG ratings show market based outperformance, and 85% of the studies indicated that these companies experience accounting based outperformance.

Investors managing over \$62 trillion have joined The Principles for Responsible Investment, publicly committing to seek comprehensive corporate ESG disclosure and incorporate it into investment decisions. The majority of large corporations also recognize the value of sustainability reporting. As of March 2016, 81% of the S&P 500 published corporate sustainability reports;

According to a 2016 report from MIT Sloan Management Review and The Boston Consulting Group, 75% of investors believe that “a company’s good sustainability performance is materially important when making investment decisions.”

Life and health insurers face a number of ESG risks, particularly related to climate change, including:

- Increasing incidence of stress and fatalities resulting from severe heat waves;
- Increasing number of injuries, fatalities, and contamination of water and soil resulting from natural disasters;
- Increasing incidence of vector and water borne illnesses and;
- Increased losses from investments in assets exposed to extreme weather risks

According to the National Association of Insurance Commissioners, “Disclosure of climate risk is important because of the potential impact climate change can have on insurer solvency and the availability and affordability of insurance across all major categories.” Ameriprise is lagging behind other insurance companies such as Lincoln National Corporation and Manulife in its level of disclosure.

RESOLVED: Shareholders request that Ameriprise Financial Inc. (Ameriprise) issue an annual sustainability report describing the company’s policies, quantitative metrics, and improvement targets related to ESG issues. The report should be: prepared at reasonable cost; omit proprietary information; and be made available to shareholders by October 2017.

Supporting Statement: The report should include goals for managing ESG impacts of Ameriprise’s business as well as a discussion of strategies to disclose and mitigate the risks of climate change to Ameriprise’s underwriting and investing.

We recommend that the report include a company-wide review of policies, practices, and quantitative metrics related to ESG performance. CDP, Sustainability Accounting Standards Board, and Global Reporting Initiative Index all provide resources and tools for guidance in developing this report.

### Sustainability Reporting

#### IntercontinentalExchange

WHEREAS: Managing and reporting environmental, social and governance (ESG) business practices assists companies to compete in a global business environment characterized by finite natural resources, changing legislation, and heightened public expectations. ESG reporting allows both companies and investment products to publicize and gain strategic value from existing sustainability efforts while identifying both emerging risks and potential opportunities. Without proper disclosure, analysts have difficulty comparing businesses or investment products. Without such disclosure, analysts cannot ascertain each investment's ESG exposure in a manner that minimizes material risks.

To remain competitive, regulated exchanges, marketplaces, and clearing houses should be aware of current market trends that influence their ability to attract both listed companies and investment products such as futures, derivatives, indices, and commodities. Some peer regulated exchanges, marketplaces, and clearing houses have already launched sustainability initiatives that train issuers on best practices in ESG reporting, or that produce recommendations, rules or guidance on such disclosure.

Moreover, the London Stock Exchange requires listed companies on its main exchange (1,600 companies) to report total greenhouse gas (GHG) emissions. CME Group voluntarily suggests certain investment products should follow ESG guidelines as a condition of listing, assisting analysts in product side-by-side comparison. The Hong Kong Exchanges and Clearing Limited recommends issuers disclose company performance on over a dozen sustainability criteria. The Johannesburg Stock Exchange asks issuers to complete, on a "comply or explain" basis, one integrated report that combines both financial and ESG information. The Singapore Stock Exchange implemented a successful ESG reporting approach on a comply-or-explain basis beginning in 2016. Furthermore, NASDAQ OMX and Intercontinental Exchange, Inc.'s NYSE Euronext joined the Sustainable Stock Exchanges Initiative, where they pledged to work with issuers to improve ESG performance and reporting. Although the World Federation of Exchanges has produced draft ESG guidance for its members and members of the Sustainable Stock Exchanges Initiative have committed to act by the end of 2016, Intercontinental Exchange has not made any such commitment.

In March 2014, over 100 institutional investors collaborated with Ceres Investor Network on Climate Risk to produce a proposal for a listing standard for regulated exchanges on ESG reporting (<http://www.ceres.org/resources/reports/incr-listing-standards-drafting-committee-consultationpaper-proposed-sustainability-disclosure-listing-standard-for-global-stock-exchanges/view>). Since then, numerous reports have been published assessing the ESG practices of certain regulated exchanges, marketplaces, and clearing houses. Proponents therefore suggest it is valuable for Intercontinental Exchange, Inc., and its Board, to better understand the disclosure trends and best practices in this field to stay abreast of market expectations.

RESOLVED: That shareholders request that our Board of Directors prepare a report assessing the current global expectations by investors for ESG market disclosure, and report to shareholders, by November 2017, its findings and the Board's recommended steps (if any, or its reasons for declining to make recommendations, if any) for encouraging ESG disclosure in the markets where Intercontinental Exchange, Inc. does business. The report should be prepared at a reasonable cost, omitting proprietary information.



### Sustainability Reporting

#### Chipotle Mexican Grill, Inc.

WHEREAS: Managing and reporting environmental, social and governance (ESG) practices helps companies compete in a business environment characterized by finite natural resources, changing legislation, and heightened public expectations. Transparent, substantive reporting allows companies to gain strategic value from existing sustainability efforts and identify emerging risks and opportunities. Without proper disclosure, investors and other stakeholders cannot adequately determine how the company is managing these significant risks and opportunities.

Proponents believe that the recent E.coli outbreaks at Chipotle restaurants have damaged trust in the brand, warranting greater transparency about Chipotle's supply chain management systems. Despite high profile and laudable commitments to "serving Food with Integrity" and environmental sustainability, Chipotle discloses very limited information on its policies and progress toward achieving these objectives.

These food safety issues have highlighted how supply chain management, food preparation practices and employee relations issues intersect and drive value for Chipotle. Further, food safety concerns may impact implementation of company commitments to fresh food and local sourcing, which are core to the value of the brand ("Chipotle Eats Itself", Fast Company, October 16, 2016).

A 2012 Deutsche Bank review of 100 academic studies, 56 research papers, two literature reviews, and four metastudies on sustainable investing found 89% of the studies demonstrated that companies with high ESG ratings showed market-based outperformance.

Corporate responsibility reporting is now a mainstream business practice worldwide, undertaken by seventy three percent of 4,500 companies surveyed in 2015 (KPMG). The Governance and Accountability Institute reports that 81% of the S&P 500 published a corporate sustainability report in 2015.

McDonald's, Darden Restaurants, Dunkin Brands, Panera, YUM! and Starbucks publish sustainability reports.

RESOLVED: Shareholders request Chipotle issue an annual sustainability report describing the company's short- and long-term responses to ESG-related issues. The report should include objective quantitative indicators and goals relating to each issue where feasible, be prepared at a reasonable cost, omit proprietary information, and be made available to shareholders by October 2017.

Supporting Statement: The report should address relevant policies, practices, metrics and goals on topics such as: supply chain management, food safety, greenhouse gas emissions, pesticide use management, waste minimization, energy efficiency, labor standards and practices, and other relevant impacts.

We recommend Chipotle consider using the GRI Sustainability Reporting Guidelines to prepare the report. The GRI Guidelines are developed with representatives from the corporate, investor, environmental, human rights and labor communities, and cover environmental impacts, labor practices, human rights, product responsibility, and community impacts. The Guidelines provide a flexible reporting system allowing Chipotle to report on those areas most relevant to its operations. Seventy two percent of reporting companies worldwide apply GRI reporting guidelines in stand alone corporate responsibility reports (KPMG).

Chipotle should also evaluate the Equitable Food Initiative, a collaborative effort of retailers, workers and growers focused on reducing risks in food supply chains, including food safety risks. Its standard was adapted to reduce duplication of other industry-leading certifications. Costco and Bon Appetit are project partners.

### **Sustainability Reporting**

#### **Acadia Healthcare Company Inc**

*A similar resolution was submitted to Ensign Group.*

**RESOLVED:** Shareholders request that Acadia Healthcare Company prepare a sustainability report describing the company's environmental, social and governance (ESG) risks and opportunities including patient and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain risks. The report, prepared at reasonable cost and omitting proprietary information, should be published by October 31, 2017.

**Supporting Statement:** We believe tracking and reporting on ESG business practices make a company more responsive to a transforming business environment characterized by finite natural resources, changing legislation, concerns over healthcare and safety, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop company-wide communications, publicize innovative practices and receive feedback.

Mainstream financial companies are continuing to recognize the links between environmental, social and governance ("ESG") performance and shareholder value. As such, the availability of ESG performance data is growing through a wide range of data providers, such as Bloomberg. Also, investment firms like Goldman Sachs and Deutsche Asset Management are increasingly incorporating corporate social and environmental practices into their investment decisions.

The United Nations' Principles for Responsible Investment has nearly 1,500 signatories who seek the integration of ESG factors in investment decision making. They collectively hold \$60 trillion assets under management and require information on ESG factors to analyze fully the risks and opportunities associated with existing and potential investments.

We believe that disclosure of sustainability policies, programs and performance can help a company manage sustainability opportunities and risks and that such disclosure is increasingly becoming a competitive advantage. There are many opportunities to reduce the waste stream. Other high impact areas with opportunities for improvement include green cleaning, improving air quality for both staff and patients, water conservation and energy reduction, all of which offer further ways not only to improve sustainability but also cost saving measures. Patient safety, product marketing and quality of care, and quality of staff work life, are also areas of concern.

The report should include a company-wide review of policies, practices and metrics related to ESG performance using the GRI Index and checklist as a reference.

### Sustainability Reporting

#### Texas Roadhouse, Inc.

**RESOLVED:** Shareholders request Texas Roadhouse issue a sustainability report describing the company's present policies, performance, and improvement targets related to key environmental, social, and governance (ESG) risks and opportunities. The report should be available on the company's website within one year of its 2017 annual meeting, prepared at reasonable cost, and omitting proprietary information.

**Supporting Statement:** We believe tracking and reporting on ESG business practices better positions companies to manage risks and opportunities in a transforming business environment characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop company-wide communications, publicize innovative practices, and receive feedback.

Support for, and the practice of, sustainability reporting continues to gain momentum:

In 2015, KPMG found that of 4,500 global companies 73% had sustainability reports.

The United Nations Principles for Responsible Investment has more than 1,500 signatories with \$62 trillion in assets. 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."

Currently, Texas Roadhouse does not publish a sustainability report, nor does it disclose comparable information on its website. This lack of transparency prevents shareholders from understanding how Texas Roadhouse is managing its most material ESG issues which according to the Sustainable Accounting Standards Board (SASB) include energy and water management, food safety, labor relations, and raw materials sourcing, to name a few.

While sustainability reporting is not yet required in the United States, it is increasingly expected by companies' shareholders and stakeholders. Furthermore, investors consult financial data providers, such as Bloomberg, MSCI, and Sustainalytics to evaluate companies' sustainability performance. Despite the lack of reporting on ESG matters by Texas Roadhouse, the company is being rated on its ESG policies and performance, and it is being compared to industry peers. Because some of this analysis is based on estimates, this information may not always accurately reflect the company's actual performance. By telling a coherent ESG story, Texas Roadhouse can demonstrate how its values drive its practices and performance.

For example, Darden Restaurants, the owner of Olive Garden and Capital Grille, set goals in 2010 to reduce waste, water consumption, and energy use at its restaurants. In 2015, Darden reported, "In addition to reducing our overall environmental footprint, Darden is also realizing financial benefits through the pursuit of these targets."

We recommend that the report include a companywide review of policies, practices and metrics related to ESG performance. The World Federation of Exchanges (WFE) guidance for listed companies or the Global Reporting Initiative (GRI) index may provide helpful guidance for Texas Roadhouse. The GRI Guidelines are the most widely used reporting framework, enabling companies to focus on their most important ESG issues.

## Financial Practices and Risk

ICCR member engagements in the financial sector seek to reduce volatility and risk, eliminate predatory lending and preserve affordable and safe access to credit for the economically vulnerable. Previous resolutions focused on payday lending, improper mortgage foreclosures and trading in “dark pools,” and collectively seek to build more ethical practices at the nation’s top banks.

After widespread fraud impacting 2 million customer accounts came to light in 2016, Wells Fargo was slapped with a fine of \$185 million by the Consumer Financial Protection Bureau. As a result, shareholders filed three resolutions with the bank this year: one calling for a review and report on business standards, including an analysis of the impacts its current banking scandals will have on its customers, operations, reputation and shareholder value; a second linking executive pay to ethical business conduct and sustainability, which calls for setting new standards for compensation and bonuses that reinforce ethical behavior and penalize irresponsible or illegal behavior; and a third resolution (see Corporate Governance) calling for the separation of the Chair and CEO roles to provide stronger oversight mechanisms. Wells subsequently passed a new bylaw separating the two roles and this resolution was withdrawn by its proponents.



Proposal Topic	Quantity
<b>Financial Practices and Risk</b>	<b>2</b>
Business Standards/Vision and Values/ Risk Management	1
Executive Pay Tied to Ethical Business Conduct	1

### Business Standards & Risk Management

The U.S. Department of Justice is currently investigating Wells Fargo, which could lead to civil or even criminal charges. Additionally, the U.S. Department of Labor is conducting a “top-to-bottom review” for possible violations of federal labor laws. Separately, the Comptroller of California and Treasurer of Illinois have suspended their business relationships with the bank.

Shareholders asked Wells Fargo to report on the root causes of its widespread fraudulent activity and the steps it is taking to improve its risk management and control processes.

### Executive Pay Tied to Ethical Business Conduct

The dismissal of 5,300 bank employees has made clear the urgent need for Wells Fargo to set new standards for compensation and bonuses that reinforce ethical behavior and penalize ethical lapses at the highest levels of the organization.

Shareholders asked Wells Fargo to assess the feasibility of integrating responsiveness to its Code of Ethics Business Conduct and sustainability into the performance measures of senior Wells Fargo executives.



“The rigorous discourse around the Wells Fargo aggressive sales culture is still escalating and causing customers, employees and major institutions to assess the magnitude of the impact. Many employees have departed or were dismissed, major business customers have divested, and others are waiting for the investigation to be completed. According to a recent article in the Seattle Weekly the writer urged the city (Seattle) to break ties with Wells Fargo because of “unscrupulous business practices”.

The Sisters of St. Francis of Philadelphia are shareholders and customers who have consistently addressed Wells Fargo’s substantive financial and ethical breaches. Through and with the Interfaith Center on Corporate Responsibility (ICCR) we have challenged the company on a multitude of problems related to predatory lending, risk management, executive compensation, separation of Chair and CEO, and political spending. Resolutions on various issues have been filed each year since 2001. We have spent extensive time urging the company to assess its moral and ethical values, culture, business standards and commitment to economic sustainability for all its employees and customers. In 2014, we filed a floor resolution on Business Standards because we had concerns related to reputational credibility, staff ethics, Board accountability and oversight. ICCR shareholders believed that a vigorous review and updating of business standards was necessary while the company remained confident in its already failed efforts to operationalize its “Vision and Values”. It was evident that a protectionist culture prevailed over disclosure, transparency, and risk management. We withdrew this resolution when the company agreed to work with us and revisit its “Vision and Values” and Code of Conduct. Our shareholder engagements with the company in 2015 (one dialogue, two meetings) yielded minimal progress toward a Business Standards Review.

When the Consumer Protection Financial Bureau levied its largest fine on the bank in September, we “jumped on the stagecoach”. On October 7, we filed a strong [Business Standards Resolution](#) and on October 26, we met with the new Chair of the Board and other top leaders in management. While retaining an interrogatory approach, we are encouraged by what we heard on October 26, and expect future engagements to be productive, transparent and meaningful, beginning with a scheduled meeting with new CEO, Tim Sloan. Much will depend on the outcome of the investigation and the commitment of new leadership and management to renewed Business Standards and a culture of integrity and trust. Ultimately, we have hope that a new and transformed Wells Fargo will emerge under strong leadership and a fully transparent, comprehensive framework that will be strengthened by a robust monitoring process.”

**Sr. Nora Nash, Director of Corporate Social Responsibility**  
**– Sisters of St. Francis of Philadelphia**

### **Business Standards/Vision and Values/ Risk Management**

#### **Wells Fargo & Company**

In September 2016, Wells Fargo reported a \$185 million settlement with the Consumer Financial Protection Bureau due to long-term and widespread consumer fraud, including setting up two million deposit and credit-card accounts for clients without their permission.

Wells Fargo dismissed 5,300 employees for these illegal acts over 5 years, mostly sales employees with approximately 10% at the branch manager level.

The bank faced a firestorm of public criticism and CEO John Stumpf was required to testify before the Senate Banking Committee and House Financial Services Committee where he faced sharp bipartisan criticism. The U.S. Department of Justice is currently investigating the company which could lead to civil or even criminal charges. Additionally, the U.S. Department of Labor is conducting a “top-to-bottom review” for possible violations of federal labor laws. Separately, the Comptroller of California and Treasurer of Illinois have suspended their business relationships with the bank as a result of the scandal.

This is not the first time that lack of oversight of policies and practices led to systematic, ethical lapses and alleged illegal activities at Wells Fargo. In 2012 the bank entered into a \$175 million settlement with the Department of Justice over allegations of widespread “discriminatory steering” of African-American and Hispanic borrowers into high-cost loans.

Multiple charges of discrimination and fraud have resulted in significant financial penalties and reputational repercussions that will undermine the confidence of customers, investors, and the public. Further, these impacts are expected to result in a loss of shareholder value.

While the Board initiated compensation clawbacks, for CEO Stumpf and Carrie Tolstedt totaling \$60 million, investors and customers still do not have a clear understanding of the scope of the fraud or the strategies in place to address it in order to determine whether they are sufficient to prevent future lapses.

**RESOLVED:** Shareholders request that the Board commission a comprehensive report, available to shareholders by October 2017, on the root causes of the fraudulent activity and steps taken to improve risk management and control processes. The report should omit proprietary information and be prepared at reasonable cost.

**Supporting Statement:** Shareholders believe a full accounting of the systemic failures allowing these unethical practices to flourish are critical to rebuilding credibility with all stakeholders and will strengthen risk management systems going forward.

The review and report should address the following:

1. An analysis of the impacts on the bank, its reputation, customers, and investors;
2. Changes implemented or planned to strengthen corporate culture and instill a commitment to high ethical standards at all employee levels;
3. Improvements in risk management and controls, including new or revised policies and investment in people or technological solutions;
4. Evidence that incentive systems are aligned with customers’ best interests.
5. Changes in Board oversight of risk management processes;
6. Assessment plans to evaluate the adequacy of changes instituted over time;
7. Other steps to rebuild trust with key stakeholders—regulators, customers, and shareholders.

### Executive Pay Tied to Ethical Business Conduct

#### Wells Fargo & Company

**RESOLVED:** Shareholders request the Board Compensation Committee assess the feasibility of integrating responsiveness to sustainability metrics and Code of Ethics Business Conduct ("Code") into the performance measures of senior Wells Fargo executives under the Company's compensation incentive plans and report the results to shareholders.

Supporting Statement: Effectively managing for sustainability offers positive opportunities for companies and, we believe, should be one key metric by which executives are evaluated. Wells Fargo has published in-depth information about its sustainability leadership and how this is good business for the bank. The bank also strongly endorses their Code as guiding principles for employees.

However, widespread fraud impacting 2 million customer accounts, a fine of \$185 million by the Consumer Financial Protection Bureau and dismissal of 5,300 bank employees highlights the urgent necessity of setting new standards for compensation and bonuses that reinforce ethical behavior and penalize irresponsible or illegal behavior.

Linking sustainability metrics and Wells Fargo Code of Ethics and Business Conduct to executive compensation could reduce risks, incent employees to meet sustainability and ethical goals and increase accountability. Examples might include: greenhouse gas emission reduction measurements, whether employee behavior violated Wells Fargo's Code, progress on diversity, how often the bank was fined or faced legal action.

Numerous studies suggest companies that integrate environmental, social and governance factors into their business strategy and executive compensation formulas reduce reputational, legal and regulatory risks and improve long-term performance.

And numerous companies already include sustainability and ethical conduct as a factor in bonus pay as they evaluate executive performance. This includes companies like Intel and IBM.

According to the largest study of CEOs on sustainability to date (CEO Study on Sustainability 2013, UN Global Compact and Accenture):

- 76 percent believe embedding sustainability into core business will drive revenue growth and new opportunities.
- 93 percent regard sustainability as key to success.
- 86 percent believe sustainability should be integrated into compensation discussions, and 67 percent report they already do.

The Glass Lewis report *In Depth: Linking Executive Pay to Sustainability* (2016) finds a "mounting body of research showing that firms that operate in a more responsible manner may perform better financially."

A 2012 report by the United Nations Principles for Responsible Investment and the UN Global Compact found "the inclusion of appropriate Environmental, Social and Governance (ESG) issues within executive management goals and incentive schemes can be an important factor in the creation and protection of long-term shareholder value."

In addition, having a clear signal that compensation is linked to living up to the bank's Code and "Vision and Values" reinforces positive ethical conduct. We believe the consumer fraud and resultant scandal should be addressed in part by amending the executive pay and bonus formula.

Adopting this proposal may mitigate risks associated with CEO and executive pay and encourage more sustainable operations. The proponents encourage shareholders to vote in support.

## Food

ICCR’s resolutions on food emphasize the importance of developing a food system that supports the universal human right to food through sustainable agricultural practices that minimize environmental and social impacts. At the same time, investors seek to protect farm worker rights, and ensure the responsible use of antibiotics in animal agriculture. In the past year, ICCR’s food sustainability work has broadened to encompass corporate food waste.

Proposal Topic	Quantity
<b>Food</b>	<b>21</b>
Animal Welfare	1
Join the Fair Food Program	1
Non-Therapeutic Use of Antibiotics in Animal Ag.	6
Reduce Food Waste	3
Reduce Pesticide Use	3
Supply Chain Impact on Deforestation	5
Sustainable Protein <b>NEW</b>	1
Sustainability Reporting/Nutrition	1



“In the past two years, investors have ramped up decade-long efforts to address the crisis of antibiotic resistance. Antibiotic-resistant ‘superbugs’ are created by the overuse of antibiotics; according to recent estimates, antibiotic-resistant bacteria could kill more people than cancer

worldwide by 2050.

One of the main causes of superbugs is the overuse of antibiotics in food animals. These drugs are often used prophylactically by meat producers to prevent illness caused by unhealthy conditions on commercial feedlots or to increase the rate at which animals gain weight, rather than to treat illness. However, best practices such as improved sanitation, vaccination, and nutrition can reduce the need for antibiotics. The industry’s slow response to this problem poses serious health and business risks.

Leaders in responsible antibiotic use include Chipotle Mexican Grill and Panera Bread Company, whose supplier standards prohibit non-therapeutic antibiotic use. After engagement with ICCR members, McDonald’s and Wendy’s phased out the use of medically-important antibiotics in chicken production; Restaurant Brands International has begun to make progress; and Jack in the Box will prohibit routine antibiotic use in poultry by 2020. ICCR members have also worked productively with Hormel Foods and other companies to transition to more sustainable farming operations.”

**Austin Wilson, Environmental Health Program Manager**  
**– As You Sow Foundation**

## Non-Therapeutic Use of Antibiotics in Animal Agriculture

Antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century. Antibiotic-resistant infections cause over 2 million illnesses and 23,000 deaths each year in the U.S. alone.

This year, ICCR members asked 5 companies – meat producer Sanderson Farms, and fast food restaurants Jack in the Box, McDonald’s, Starbucks and Yum! Brands – to globally in their poultry supply chains prohibit the use of antibiotics in classes of drugs used in human medicine for purposes other than treatment or non-routine control of veterinarian-diagnosed illness (e.g. for growth promotion and routine disease prevention); and, set global sourcing targets with timelines for pork and beef raised without the non-therapeutic use of medically-important antibiotics.



### Supply Chain Impact on Deforestation

The production of agricultural commodities like palm oil, soya, sugar, beef and paper comes with extensive human rights, climate change and environmental trade-offs. Soya, palm oil, beef, and paper production contribute to deforestation, a principal driver of climate change. In addition, human trafficking and slavery are prevalent on palm oil plantations. Further, large-scale land acquisition for sugar cane, palm oil, and soya production often involves evicting traditional land holders through coercion or fraud (known as “land grabs”).

Several companies have taken the lead in addressing deforestation in their supply chains, including Colgate-Palmolive, Danone, Unilever, Mondelez and Nestle. This year, shareholders asked under-performing companies Kraft Heinz, Kroger, McDonald’s, Restaurant Brands and Yum! Brands to report on their supply chains’ impacts on deforestation and associated human rights issues, and their plans to mitigate these risks.

### Reduce Food Waste

Each year, approximately 40% of food produced in the U.S. — nearly 133 billion pounds, or \$165 billion dollars’ worth — goes uneaten. Beyond the lost opportunity to feed the hungry, most food waste goes directly into landfills where, through decomposition, it produces greenhouse gas emissions responsible for driving climate change. In fact, food waste in landfills is responsible for 23% of all methane emissions and 4.5% of all U.S. greenhouse gas emissions. Food waste also accounts for 25% of water, 30% of fertilizer, and 31% of cropland wastage in the U.S.

This year, investors asked Costco, Target and Whole Foods to assess, reduce, and optimally manage their food waste.



### **Non-Therapeutic Use of Antibiotics in Animals**

Yum! Brands, Inc.

*A similar resolution was submitted to Restaurant Brands International, Sanderson Farms, Inc..*

WHEREAS: The World Health Organization and the U.S. Centers for Disease Control and Prevention have reported that antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century. Antibiotic-resistant infections cause at least 2 million illnesses each year in the United States. Experts estimate these infections will kill 10 million people per year worldwide by 2050. (Review on Antimicrobial Resistance). A major factor in the spread of antibiotic resistance is the overuse of these lifesaving drugs in meat and poultry production. 70% of medically important antibiotics in the U.S. are sold for livestock use (FDA, 2012). Antibiotics are often given to livestock to speed animal growth or to prevent illness caused by unhealthy, stressful conditions on farms, rather than to treat illness. In January 2016, 86 advocacy organizations sent a public letter to Yum! Brands, requesting the company “make a strong, definitive public commitment on antibiotic stewardship.” In April 2016, a group of investors holding over \$1 trillion in assets also called on Yum! Brands to set timelines to prohibit the use of medically important antibiotics in its global meat and poultry supply chains.

In response, Yum! Brands adopted limited policies to phase-out medically important antibiotics for chicken sourced by Taco Bell, as well as for some of Pizza Hut’s products that include chicken. These are steps in the right direction, but these policies need to be extended across all Yum! Brands companies (including KFC) and to all meat and poultry sources, to help protect public health from antibiotic-resistant infections.

Consumers are increasingly concerned about injudicious antibiotic use. Without meaningful action, Yum! Brands will lose market share to companies who have stronger policies in place. McDonald’s has phased out use of medically important antibiotics in its entire U.S. chicken supply. Panera Bread and Chipotle Mexican Grill prohibit most antibiotic use in their livestock supply chains. Chick-fil-A will serve only chicken raised without antibiotics by 2019.

Danish producers, which export over 30 million hogs per year at competitive prices, have relied on improved husbandry and sanitation, reduced confinement, and other techniques to eliminate use of antibiotics for disease prevention and growth promotion.

A strong antibiotics policy will prepare Yum! Brands suppliers to comply more effectively with a shifting federal regulatory landscape. Meat producers will have to comply with new federal guidelines that effectively limit the use of medically important antibiotics for growth promotion by the end of 2016. The FDA is next expected to address preventive uses of antibiotics. (William Flynn, FDA, 6/22/2016, PACCARB Public Meeting)

RESOLVED: Shareholders request that Yum! Brands adopt an enterprise-wide policy to phase out the use of medically important antibiotics for growth promotion and disease prevention in its meat and poultry supply chain.

Shareholders further request the company publish timetables and measures for implementing this policy.

### Non-Therapeutic Use of Antibiotics in Animals

Jack in the Box Inc.

WHEREAS: The World Health Organization, The U.S. Centers for Disease Control and Prevention, and the President's Council of Advisors on Science and Technology have identified antibiotic resistance as a global public health crisis that threatens to overturn many modern medical advances.

Antibiotic resistance causes over 2 million illnesses and 23,000 deaths annually in the U.S., with a cost to society upwards of \$55 billion. By 2050, it is estimated that antibiotic resistance will kill 10 million people annually worldwide.

A major factor of antibiotic resistance is the prolific overuse of antibiotics in food-animal production for the routine, non-therapeutic purposes of promoting faster growth or preventing illness. Over 70% of human-class antibiotics in the U.S. are sold for use on food-animals.

Companies with exposure to the use of non-therapeutic antibiotics through their supply chains may face a number of financial risks due to growing consumer concern over antibiotics in meat. According to Consumer Reports, the majority of surveyed consumers were 'extremely' or 'very' concerned about the use of antibiotics in animal feed and would spend more for meat produced without these drugs.

Addressing these changing consumer attitudes may present commercial opportunities. Sales of antibiotic-free meat are growing quickly: the value of U.S. sales of antibiotic-free chicken rose by 34% in 2013. Companies including McDonald's, Chipotle, Panera Bread, Subway, and Chick-fil-A have responded by adopting policies against purchasing meat produced with routine antibiotics.

Jack in the Box, Inc. owns one of the country's largest hamburger chains and the country's second largest fast-casual Mexican food brand. Consequently, food quality and safety trends should be of chief priority. Indeed, the Company acknowledges in its 10-K that the restaurant industry is "highly competitive," and affected by "changes in consumer dining habits and preferences." Furthermore, the Company lists "widespread negative publicity of any type" as a key risk factor.

However, Jack in the Box has not committed to a policy on antibiotic use. The Company has already suffered negative media coverage around antibiotics and may face competitive and reputational risks if it continues to fall behind industry competitors that have demonstrated leadership on this issue.

RESOLVED: Shareholders request that the Company adopt an enterprise-wide policy to phase out the non-therapeutic use of antibiotics important to human medicine in the meat supply chain (including poultry, beef, and pork), and report to shareowners within a reasonable timeframe – at reasonable cost and omitting proprietary information – on the timetable and measures for implementing this policy.

Supporting Statement: "Non-therapeutic use" of antibiotics is defined as:

- (i) administration of antibiotics to an animal through feed and water (or, in poultry hatcheries, through any means) for purposes other than therapeutic use or non-routine disease control (such as growth promotion, feed efficiency, weight gain, or disease prevention); and includes
- (ii) any repeated or regular pattern of use of antimicrobials for purposes other than therapeutic use or non-routine disease control.

### Non-Therapeutic Use of Antibiotics in Animals

Starbucks Corp.

WHEREAS: Antibiotic-resistant infections cause at least 2 million illnesses and 23,000 deaths annually in the U.S., with a cost to society upwards of \$55 billion. By 2050, it is estimated that antibiotic resistance will kill 10 million people annually worldwide.

The World Health Organization, The U.S. Centers for Disease Control and Prevention, and the President's Council of Advisors on Science and Technology have identified antibiotic resistance as a global public health crisis that threatens to overturn many modern medical advances.

A major factor of antibiotic resistance is the overuse of antibiotics in meat production for the routine, non-therapeutic purposes of growth promotion and disease prevention. In fact, 70% of medically important antibiotics sold in the U.S. are used on food animals, often for these irresponsible purposes.

Starbucks has recognized the significance of this issue, identifying "supporting [the] responsible use of antibiotics to support animal health" as a focus for strengthening its animal welfare practices. However, the Company has yet to adopt a clear policy prohibiting the nontherapeutic use of antibiotics in its meat supply chain.

In contrast, industry peers such as McDonald's, Panera Bread, Chipotle, Subway, and Chick-fil-A have taken precautionary and proactive approaches by voluntarily adopting policies against purchasing meat produced with routine antibiotics.

Companies with exposure to the non-therapeutic use of antibiotics through their supply chains may face a number of financial and reputational risks due to growing consumer concern. According to Consumer Reports, the majority of surveyed consumers were 'extremely' or 'very' concerned about the use of antibiotics in animal feed and would spend more for meat produced without these drugs.

Moreover, addressing changing consumer attitudes may present commercial opportunities. Sales of antibiotic-free meat are growing quickly: the value of U.S. sales of antibiotic-free chicken rose by 34% in 2013. According to a 2015 Crain's Chicago Business survey, 34.3% of fast food restaurant customers said they would visit McDonald's more often if it served meat raised without hormones or antibiotics.

While industry peers take steps to capitalize on the changing marketplace, Starbucks' lack of a policy threatens the Company's public perception, potentially positioning it as an industry 'laggard' in addressing consumer health concerns.

RESOLVED: Shareholders request that the Company adopt an enterprise-wide policy to phase out the non-therapeutic use of antibiotics in the meat supply chain (including poultry, beef, and pork).

"Non-therapeutic use" of antibiotics is defined as:

- (i) administration of antibiotics to an animal through feed and water (or, in poultry hatcheries, through any means) for purposes other than therapeutic use or non-routine disease control (such as growth promotion, feed efficiency, weight gain, or disease prevention); and includes
- (ii) any repeated or regular pattern of use of antimicrobials for purposes other than therapeutic use or non-routine disease control.

Shareholders request that the Board report to shareowners within six months of the annual meeting, at reasonable cost and omitting proprietary information, on the timetable and measures for implementing this policy.

### Non-Therapeutic Use of Antibiotics in Animals

McDonald's Corp.

RESOLVED: Shareholders request that the Board update the 2015 McDonald's Global Vision for Antimicrobial Stewardship in Food Animals by adopting the following policy regarding use of antibiotics by its meat suppliers:

1. Globally in the poultry supply chain prohibit the use of antibiotics in classes of drugs used in human medicine for purposes other than treatment or non-routine control of veterinarian-diagnosed illness (e.g. for growth promotion and routine disease prevention), allowing only for use in treatment of veterinarian-diagnosed illness in a flock, and;
2. Set global sourcing targets with timelines for pork and beef raised without the non-therapeutic use of medically-important antibiotics.

WHEREAS: The World Health Organization and the U.S. Centers for Disease Control and Prevention have reported antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century. In Europe, there is a review of the Veterinary Medicinal Products and Medicated Feed Regulations, which may lead to a ban of the routine administration of antibiotics to animals. Experts estimate antibiotic-resistant infections will kill 10 million people per year worldwide by 2050.

A major factor in the spread of antibiotic resistance is its overuse in food-producing animals. Over 70% of medically important antibiotics in the U.S. are sold for livestock use (FDA, 2012), often given to promote animal growth or to prevent rather than to treat illness.

McDonald's has phased out medically important antibiotics in its poultry supply chains in the U.S. in 2015. However, McDonald's has not committed to a similar sourcing policy for poultry outside the U.S., for beef or for pork.

In its annual report, McDonald's acknowledges continued business success "depends on our System's ability to anticipate and respond effectively to continuously shifting consumer demographics, trends in food sourcing, food preparation and consumer preferences in the IEO segment." In a recent survey of American adults, Crain's Chicago Business found that at least 34 percent would be more likely to eat at McDonald's if they served meat raised without antibiotics and hormones.

Subway announced a policy to serve beef and pork without routine antibiotic use by 2025; Panera Bread and Chipotle already serve meat raised without routine use of antibiotics. CKE Restaurants Inc. introduced the All-Natural Burger made from grass-fed, free-range cattle raised without antibiotics. Producers including Tyson, Applegate, and Niman Ranch supply beef and pork raised without antibiotics. Failure to offer antibiotic-free products endangers McDonald's market share.

In April 2016, investors holding over \$1 trillion in assets called on McDonald's to set timelines to prohibit the use of medically important antibiotics in its global meat and poultry supply chains as they view its use as a risk to public health as well as the brand.

SUMMARY: Given growing health concerns, changing consumer preferences and industry trends, shareholders would benefit from more detailed plans that sets McDonald's on a course to phase-out the non-therapeutic use of medically important antibiotics in meat production.

### Reduce Food Waste

Costco Wholesale Corp.

WHEREAS: 40% of food produced in the U.S. goes uneaten every year, costing the U.S. economy \$218 billion, or 1.3% of GDP.

Approximately 23% of U.S. methane emissions (a greenhouse gas 80 times as potent as CO<sub>2</sub>) result from food decomposing in landfills. Production of uneaten food consumes 21% of freshwater, 19% of fertilizer and 18% of cropland. Globally, if food waste were a country, its emissions would rank 3rd. Food recovery programs can help feed the nearly 50 million food insecure Americans.

Wasted food presents financial opportunities; various retailers are implementing programs to save some of the \$57 billion lost by consumer facing businesses each year. Stop & Shop saved an estimated \$100 million annually by reducing losses of perishables while providing items that were 3 days fresher on average. Price Chopper reduced bakery item losses by \$2 million in one year, while increasing sales by 3%.

The 400 members of The Consumer Goods Forum have committed to halve food waste by 2025. Safeway, Publix and Kroger have joined the Food Waste Reduction Alliance and have provided meaningful disclosure on their food waste management efforts. Costco briefly introduced the organic waste and rotisserie oil that it recycled in 2013, yet the opportunity remains for Costco to report on company-wide food waste diversion and management programs and set reduction goals.

The political landscape is shaping to favor companies that mitigate their food waste, too. Several states have laws that commonly require retailers to divert food waste from landfills, creating regulatory risk for those who lack adequate diversion strategies. At the federal level, food waste related bills have been introduced to Congress and the EPA announced a target to reduce food waste 50 percent by 2030.

Since 85% of food waste occurs at consumer facing businesses and in consumer's homes, companies like Costco are positioned to benefit from working towards food waste prevention and strategic diversion that can cut costs, provide competitive advantage, strengthen brand reputation, save resources, alleviate hunger and reduce greenhouse gas emissions.

In light of these political and industry trends we believe Costco and its shareholders stand to benefit by taking advantage of these opportunities and managing associated risks.

RESOLVED: Shareholders request Costco issue a report, at reasonable cost and omitting proprietary information, on current company-wide efforts (above and beyond existing reporting) to assess, reduce, and optimally manage food waste.

Supporting Statement: Items to be covered in the report can include:

- Results of audits to determine the causes, quantities and destinations of food waste
- Estimated cost savings from optimized food purchasing, handling, and disposal
- Identification of additional revenue streams and possible tax benefits from new uses of previously wasted food
- Prioritization of strategies based on EPA's Food Recovery Hierarchy
- Time bound targets to reduce waste and progress towards meeting these targets.

### Reduce Food Waste

Whole Foods Market, Inc.

WHEREAS: 40% of food produced in the U.S. goes uneaten, costing the American economy \$218 billion per year, or 1.3% of GDP.

Food decomposing in landfills emits approximately 23% of U.S. methane emissions, a greenhouse gas 84 times as potent as CO<sub>2</sub>. Production of uneaten food consumes 21% of U.S. freshwater, 19% of fertilizer and 18% of cropland. If global food waste were a country, its emissions would be 3rd, behind only China and the United States.

Nearly 50 million Americans, including 16 million children, are food insecure; reducing food waste by just 15% could feed 25 million people every year.

Some grocery retailers are taking action to capitalize on related financial opportunities. Stop & Shop saved an estimated \$100 million annually by reducing losses of perishables while providing items that were 3 days fresher on average. Price Chopper reduced bakery item losses by \$2 million in one year, while increasing sales by 3%.

The 400 members of The Consumer Goods Forum have committed to halve food waste by 2025. Safeway, Publix and Kroger have joined the Food Waste Reduction Alliance and have provided comprehensive, metrics-based disclosure on their food waste management efforts.

While WFM provides anecdotal evidence of its food waste reduction efforts in select stores, it has yet to report on its food waste management strategy or disclose current, company-wide data on food waste prevention or diversion.

Several states have laws that commonly require retailers to divert food waste from landfills, creating regulatory risk for those who lack adequate diversion strategies. Food waste related legislation has also been introduced in the U.S. Congress and the EPA announced a national target to reduce food waste 50 percent by 2030.

In addition, many non-governmental organizations are working to raise awareness of the impacts of food waste that may lead to negative media attention for retailers like WFM.

In light of these political and industry trends, we believe Whole Foods Market and its shareholders are positioned to benefit from a comprehensive approach to food waste prevention and strategic diversion that can cut costs, provide competitive advantage, strengthen brand reputation, save resources, help alleviate hunger and reduce greenhouse gas emissions.

RESOLVED: Shareholders request Whole Foods Market issue a report, at reasonable cost and omitting proprietary information, on company-wide efforts (above and beyond its existing reporting) to assess, reduce and optimally manage food waste.

Supporting Statement: Items to be covered in the report can include:

- Results of audits to determine the causes, quantities and destinations of food waste
- Estimated cost savings from optimized food purchasing, handling, and disposal
- Prioritization of strategies based on EPA's Food Recovery Hierarchy
- Identification of additional revenue streams and possible tax benefits from new uses of previously wasted food
- Time bound targets to reduce waste and progress towards meeting these targets.

### Reduce Food Waste

Target Corp.

WHEREAS:40% of food produced in the U.S. goes uneaten, costing the American economy \$218 billion per year.

Greenhouse gas emissions from wasted food in the U.S. are equivalent to the annual emissions of 39 million cars. Globally, if food waste were a country, its emissions would be 3rd, behind only China and the United States. Production of uneaten food consumes 21 % of U.S. freshwater, 19% of fertilizer and 18% of cropland.

Approximately 40 million Americans, including 13 million children, are food insecure; reducing food waste by 15% could feed 25 million people every year.

Some retailers are taking action and realizing financial benefits. Stop & Shop saved an estimated \$100 million annually by reducing losses of perishables, while providing items that were 3 days fresher on average. Price Chopper reduced bakery losses by \$2 million in one year, while increasing sales by 3%.

The EPA established the first national food waste reduction target in 2015, striving for a 50% reduction by 2030. Fifteen companies recently made the same commitment; these "food loss and waste 2030 champions" include Walmart, Ahold USA, and Delhaize America. The 400 members of The Consumer Goods Forum have committed to halve food waste by 2025.

Several states have laws preventing retailers from sending food to landfills, creating regulatory risk for those who lack adequate diversion strategies. Many organizations are working to raise awareness of the impacts of food waste that may lead to negative media attention.

Target does not specifically discuss food waste management and reduction efforts or provide food waste data. Alarmingly, Target failed to achieve its 2009-2015 waste reduction goal due primarily to challenges in expanding alternative food disposal infrastructure. While Target provides a breakdown of its other waste streams (cardboard, plastics, glass, etc.), proponents see an opportunity for Target to provide assurance to shareholders that it is effectively managing the risks and costs associated with food waste.

In light of these political and industry trends, we believe Target Corporation and its shareholders are positioned to benefit from a comprehensive approach to food waste prevention and strategic diversion that can cut costs, provide competitive advantage, strengthen brand reputation, save resources, help alleviate hunger, and reduce greenhouse gas emissions.

RESOLVED: Shareholders request Target issue a report, to be prepared in reasonable time, at reasonable cost, and omit proprietary information, on company-wide efforts (above and beyond its existing reporting) to assess, reduce, and optimally manage food waste.

Supporting Statement: Items to be covered in the report can include:

- Scope, frequency, and results of audits to determine the causes, quantities, and destinations of food waste
- Estimated cost savings from optimized food purchasing, handling, and disposal
- Prioritization of strategies based on EPA's Food Recovery Hierarchy
- Identification of additional revenue streams and possible tax benefits from new uses of previously wasted food
- Time bound reduction goals specifically for food waste and progress towards meeting these goals.



### Reduce Pesticide Use

PepsiCo, Inc.

Synthetic pesticide use is expected to grow 7% annually and reach \$61.5 billion in market value by 2017.

Correlations between pesticide exposure and increased cancer risk can be found in a number of studies. According to the U.S. President's Cancer Panel, approximately forty chemicals found in EPA-registered pesticides are classified as "known, probable or possible" cancer-causing agents. In July, 2016, scientists and health providers released a scientific Consensus Statement as a national call to action to significantly reduce exposures to chemicals and pesticides.

Practices such as applying glyphosate to crops before harvesting—a protocol that makes harvesting easier but may result in increased pesticide residues on crops—are raising concerns. In 2016, the Food and Drug Administration announced it planned to begin testing for glyphosate residues on foods.

Neonicotinoids have been implicated as a contributor to the decline of pollinator populations. With crops reliant on pollinators valued between \$235-\$577 billion, chronic declines in populations pose a threat to our economy and global food system.

Consumer interest in knowing how food is grown and its impacts on health and the environment is growing. According to a Consumers Reports survey, eighty-six percent of people believe it is critical to reduce pesticide exposure.

Given these concerns, regulatory actions are increasing:

- In 2013, the EU banned three neonicotinoids;
- In 2016, Minnesota enacted restrictions on neonicotinoids, and is seeking legislative authority to regulate seeds treated with pesticides before they're planted;
- In 2015, EPA proposed a ban on the insecticide chlorpyrifos for agricultural use;
- In 2016, California regulators proposed rules banning farmers from spraying pesticides within a quarter mile of any school or day care facility.

Further several companies are tracking and reducing pesticide use:

- Unilever discloses amounts of pesticides avoided by farmers using Integrated Pest Management (IPM) practices;
- Whole Foods' has committed to reduce pesticide use and its "Responsibly Grown Pesticide Policy targets pesticides which pose the greatest risk to consumers [and] pollinators";
- Sysco's IPM Program reduced pesticide use by nearly 900,000 pounds over three years. Sysco also tracks pesticides avoided that affect pollinators.

PepsiCo's disclosures, in contrast, do not provide sufficient information to determine how it is effectively managing pesticide risks. PepsiCo's Sustainable Farming Initiative guides growers to "optimize" the use of pesticides. However it does not disclose metrics, detailed goals or progress. Further, its 2025 Performance with Purpose 2025 Agenda, which provides specific details on a range of sustainability-related issues, is notably silent on pesticides.

**RESOLVED:** Shareholders request that the Board publicly report on company strategies or policies currently deployed, or under consideration, to protect public health and pollinators through reduced pesticide usage in the supply chain.

Supporting Statement: While the company has the discretion to determine the precise content of the policy, proponents believe the report should include:

- Practices and measures, including technical assistance and incentives, provided to growers to avoid or minimize the use of pesticides;
- Quantitative metrics tracking amount of pesticides avoided.

### Reduce Pesticide Use

#### Kellogg Company

WHEREAS: Kellogg has committed to responsibly source several crops, including wheat, to protect environmental and public health. We commend this work and recommend additional action from Kellogg on glyphosate use.

Glyphosate, a popular weed-killer, was classified last year as “probably carcinogenic in humans” by the world’s leading cancer authority, the World Health Organization’s International Agency for Research on Cancer (IARC). Similarly, the California Environmental Protection Agency’s Office of Environmental Health Hazard Assessment has issued a notice of intent to list glyphosate as a chemical “known to the state” to cause cancer. Research demonstrates that glyphosate-based herbicides may cause chronic toxic effects, such as kidney damage and endocrine disruption, even at low levels, especially when combined with other ingredients used in herbicides.

Glyphosate use has soared in the last two decades, and with it, concerns regarding glyphosate’s environmental and public health impacts. For example, agricultural workers have filed several personal injury law suits with Monsanto for harms associated with glyphosate use, and legal experts report that this could be the beginning of mass tort actions on the pesticide.<sup>1</sup> Increasing residues of glyphosate on food are highly controversial; in 2013, the EPA raised allowable glyphosate levels in food from several crops, and received over 10,800 comments against the proposed change. Researchers have also begun linking glyphosate use with the dramatic decline in the monarch butterfly population, by killing wild milkweed plants.

One particular new use of glyphosate has come under heightened scrutiny for its harmful impacts. Pesticide producers have begun encouraging farmers to apply glyphosate shortly before harvest of certain crops, including wheat, other grains, beans, and oilseeds. For example, 99% of garbanzo beans grown in Washington State are now treated pre-harvest with glyphosate.<sup>2</sup>

Applying glyphosate pre-harvest kills foliage and promotes drying, which makes harvesting easier, especially in wetter climates. However, it also increases glyphosate residues on food<sup>3</sup> and can increase glyphosate drift onto nearby crops. Austria and Germany have explicitly banned preharvest glyphosate use; other European countries such as France and Italy have not approved the practice.

RESOLVED: Shareholders request that the Board publish a report, within one year of the annual meeting, at reasonable expense and omitting proprietary information, that discusses the Company’s options for adoption of policies, above and beyond legal compliance, to prevent or minimize environmental and public health harms from glyphosate.

Supporting Statement: We recommend that the report, at a minimum, include:

- An assessment of the supply chain, operational, and reputational risks posed to the company by the large-scale use of pre-harvest glyphosate; and
- Quantitative metrics tracking the portion of supply chain crops treated with glyphosate.

1. Reuters, 10/15/15, “U.S. lawsuits build against Monsanto over alleged Roundup cancer link”

2. USDA National Agricultural Statistics Service 2013

3. Charles Benbrook 2016

### Reduce Pesticide Use

Dr Pepper Snapple Group, Inc.

WHEREAS: Companies with exposure to pesticide uses and practices through their supply chains that pose risks to public health and pollinator communities may face a number of business risks, including potential reputational damage due to growing consumer interest in how food is grown and its impacts on health and the environment.

Numerous studies document the correlation between pesticide exposure and increased cancer risk. According to the U.S. President's Cancer Panel, approximately 40 chemicals found in EPA-registered pesticides are classified as "known, probable, or possible" carcinogens.

Specific practices that are raising public health concerns include the application of glyphosate to crops before harvesting, a protocol that may result in increased pesticide residues on crops and ingestion by people. In 2016, the Food and Drug Administration announced plans to begin testing for glyphosate residues.

Another class of pesticide, neonicotinoids, have been implicated as a key contributor to pollinator decline. With crops reliant on pollinators valued between \$235 and \$577 billion, decreases in these populations pose a threat to our ecosystems, economy, and global food system.

Moreover, according to a Consumers Reports survey, 86 percent of those surveyed believe it is critical to reduce pesticide exposure.

Regulatory actions are increasing, creating new restrictions to which companies will need to adapt. For example, Minnesota's governor enacted restrictions on neonicotinoids in 2016 and the state's Department of Agriculture is seeking legislative authority to regulate seeds treated with pesticides. Further, in 2016, California regulators proposed rules banning the spraying of pesticides within a quarter mile of schools or daycare facilities.

In light of these trends, several companies have committed to tracking and reducing pesticide use, potentially leaving laggards with a competitive disadvantage.

Unilever discloses amounts of pesticides avoided by farmers using Integrated Pest Management (IPM) practices;

Whole Foods has committed to reduce pesticide use and its Responsibly Grown Pesticide Policy "targets pesticides which pose the greatest risk to consumers [and] pollinators;"

Sysco's IPM Program reduced pesticide use by nearly 900,000 pounds over three years. Sysco also tracks pesticides avoided that affect pollinators.

Dr Pepper Snapple Group, in contrast, does not provide sufficient information, including goals, metrics, or progress, to determine how it is effectively managing pesticide use and the associated business risks. The company's 2015 Sustainability Update report We Do Good Things With Flavor provides specific details on a range of sustainability-related issues, but is notably silent on pesticides.

RESOLVED: Shareholders request that the Board publicly report on company strategies and/or policy options to protect public health and pollinators through reduced pesticide usage in Dr Pepper Snapple Group's supply chain.

Supporting Statement: While the company has the discretion to determine its precise content, proponents recommend that the requested report include:

- Quantitative metrics tracking the amount of pesticides used and avoided, along with the class of pesticides
- Overall goals to reduce pesticide use and/or toxicity; and
- Measures including technical assistance and incentives provided to growers to avoid or minimize the use of pesticides.

### Supply Chain Impact on Deforestation

#### Restaurant Brands International

*Similar resolutions will be submitted to Kroger Co., McDonald's, Yum! Brands, Inc.*

Restaurant Brands International Inc. (RBI) utilizes beef, soy, palm oil, and pulp/paper in its business. These commodities are the leading drivers of deforestation globally. RBI's limited action on deforestation exposes the company to significant business risks including supply chain reliability, damage to the company's brand value, and failure to meet shifting consumer and market expectations.

Deforestation has attracted significant attention from civil society, business and governments. It accounts for over 10% of global greenhouse gas emissions and contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts and forced labor. Commercial agriculture accounted for over 70% of tropical deforestation between 2000 and 2012, half of which was illegal. Supply chain sources that are illegally engaged in deforestation are vulnerable to interruption as enforcement increases. Conserving forests by increasing agricultural productivity and use of already cleared land will stabilize soils and climate while regulating regional water flows.

"Consumers are increasingly demanding that businesses become more responsible and transparent", according to Technomic, a leading food industry consultancy. "In many cases, they are rewarding those they perceive to be good environmental stewards and corporate citizens."

RBI has failed to establish a comprehensive forest commodities responsible sourcing policy. Their palm oil policy is inadequate and they have made no commitments to address deforestation from cattle and soy. RBI scored 2 out of 5 in the Forest 500 scorecard; 10 out of 100 on UCS's palm oil scorecard; 0 out of 100 on UCS's beef scorecard; and an 'F' grade from CDP Forests Program. Although the company has joined CDP's Supply Chain Forests program, they do not participate in CDP's Forest Program themselves. As a result, the company has been subjected to thousands of consumer petitions and negative social media calling for deforestation-free policies.

In contrast, peer companies including McDonald's, Danone, Unilever and Nestlé are working to sustainably source commodity drivers of deforestation. Many of these companies signed The New York Declaration on Forests to support and help meet the private-sector goal of eliminating deforestation from their supply chains by no later than 2020. These companies also participate in the CDP Forests Program, a reporting framework supported by investors with over US\$22 trillion in assets.

**RESOLVED:** Shareholders request that RBI develop a comprehensive, crosscommodity policy and implementation plan, by November 1, 2017, to eliminate deforestation and related human rights issues from its supply chain.

Supporting Statement: Proponents believe a meaningful response could include:

- A commitment to buy exclusively from suppliers independently verified as not engaged in deforestation (including peatlands, high conservation value, or high carbon stock forests), or land and labor rights abuses;
- Evidence of proactive implementation efforts, such as a time-bound plan, verification processes, non-compliance protocols and regular reporting on a public platform; and
- A commitment to work towards strengthening third-party verification programs and multistakeholder initiatives to achieve compliance with the company's policy.

### Supply Chain Impact on Deforestation

#### Kraft Heinz Company

WHEREAS: Palm oil, soya, sugar, beef and paper are used in a variety of Kraft-Heinz products. Global demand for these commodities is fueling deforestation and human rights violations, including child and forced labor.

Approximately a third of recorded large-scale land acquisitions globally since 2000 involve crops such as sugar cane, palm oil, and soy. Many of these acquisitions involve evicting traditional land holders, through coercion or fraud ("land grabs").

The Consumer Goods Forum, a global industry network, recognizes that "Deforestation is one of the principal drivers of climate change, accounting for 17% of greenhouse gases today. The consumer goods industry, through its growing use of soya, palm oil, beef, paper and board, creates many of the economic incentives which drive deforestation." (Consumer Goods Forum press release, 11/29/10).

Kraft-Heinz lags behind its competitors in these areas. Peer companies are working to sustainably source commodity drivers of deforestation. Colgate-Palmolive, McDonalds, Danone, Unilever, Mondelez and Nestle commit to address deforestation in their global supply chains. These companies also respond to CDP Forests, a reporting framework supported by investors managing \$19 Trillion. Kraft Heinz ranks 18 out of 20 major brands in efforts to address forced labor according to the Know the Chain platform. In 2015, Heinz and Kraft independently scored 8th and 10th place out of 10 companies evaluated by the Union of Concerned Scientists on palm oil sourcing. Neither company responded to CDP.

Kraft-Heinz discloses little information on efforts to sustainably source palm oil, soya, paper, beef and sugar. Meaningful indicators would include:

- A commitment to buy exclusively from suppliers independently verified as not engaged in 1) deforestation (including peatlands, high conservation value, or high carbon stock forests), or 2) human rights abuses, including land grabs;
- Evidence of proactive implementation efforts, such as a time-bound plan, verification processes, non-compliance protocols and regular reporting; and
- A commitment to work towards strengthening third-party verification programs and multi-stakeholder initiatives to achieve compliance with the company's policy.

Kraft Heinz may face reputational and operational risks by failing to adequately disclose its approach to managing deforestation and related risks. The 2015 Nielson Corporate Responsibility Survey found that 58% of millennials – a critical demographic for increasing market share and brand loyalty – are willing to pay more for products made by companies "known for being environmentally friendly." Intangible assets represent a significant and material portion of Kraft Heinz's total assets.

RESOLVED: Shareholders request the Board to prepare a public report, at reasonable cost and omitting proprietary information, by November 1, 2016, describing how Kraft-Heinz is assessing the company's supply chain impact on deforestation and associated human rights issues, and its plans to mitigate these risks.

### Join the Fair Food Program

Wendy's International, Inc.

WHEREAS, Wendy's purchases significant amounts of produce, such as tomatoes, and

WHEREAS, there is increasing public awareness and media coverage of modern-day slavery, poverty-level wages, sexual abuse and verbal and physical violence that many agricultural workers face, and

WHEREAS, the United States Department of Justice has successfully prosecuted numerous cases of modern-day slavery in the U.S. agricultural industry since 1996, including in tomatoes, and involving over 1,200 workers (see, for example, *US v. Ramos*; *US v. Lee*; *US v. Flores*; *US v. Cuello*; *U.S. v. Navarrete*; *U.S. v. Ronald Evans*), and

WHEREAS, violations of human rights in Wendy's supply chain can lead to public protests including consumer boycotts, a loss of consumer confidence that can have a negative impact on shareholder value, and damage to the Wendy's brand, and

WHEREAS, Wendy's shift of tomato purchases away from Fair Food Program-participating growers in Florida to Mexico, including a Mexican supplier that was the subject of a slavery prosecution in 2013, Bioparques del Occidente, generated an ongoing national consumer boycott and

WHEREAS, Wendy's current code of conduct for suppliers is inadequate to protect the Wendy's brand, as it is remains based heavily on compliance with the law, which lacks enforcement mechanisms and excludes U.S. agricultural workers from many of the protections that apply to other U.S. workers (for example, National Labor Relations Act of 1935, 29 U.S.C. § 151 et seq.; and many provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. § 201, 213), and

WHEREAS, there exists an internationally-recognized program, the Fair Food Program, that is based on strict compliance with a human rights-based code of conduct and prevents forced labor of any type, protects workers from discrimination and sexual harassment, provides growers within the Program with state of the art risk management and protects the brands of participating companies, and

WHEREAS, all four of Wendy's direct Quick Service Restaurant competitors, as well as key competitors in the Fast Casual industry, have already joined the Fair Food Program and therefore stand to gain a competitive advantage over Wendy's in terms of enhancing and protecting their brands so as to maintain consumer and investor confidence, and

WHEREAS, in our opinion as shareholders, enforceable human rights codes of conduct are essential if consumer and investor confidence in our company's commitment to human rights is to be maintained and enhanced,

RESOLVED, shareholders urge the Board of Directors to take all necessary steps to join the Fair Food Program as promptly as feasible for the purpose of protecting and enhancing consumer and investor confidence in the Wendy's brand as it relates to the purchase of produce.

The Board should also prepare a report at reasonable cost to shareholders and the public concerning the implementation of this Resolution.

### Sustainability Reporting /Nutrition

#### Kraft Heinz Company

**RESOLVED:** Shareholders request The Kraft Heinz Company (Kraft Heinz) issue a comprehensive sustainability report describing its environmental, social and governance (ESG) performance and goals, including nutrition targets. Shareholders request the report be available on the company website by November 1, 2017, prepared at reasonable cost and omitting proprietary information.

Supporting Statement: Kraft Heinz lacks a comprehensive sustainability report of ESG-related corporate policies, practices and metrics that follows guidelines such as those provided by the Global Reporting Initiative (GRI). Tracking and reporting ESG business practices make a company more responsive to a global business environment characterized by changing legislation, and heightened public expectations for corporate accountability, including, for a food-based company like ours, health and obesity concerns. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in its products and processes, enhance company-wide communications, and publicize its efforts and receive feedback.

Support for comprehensive sustainability reporting continues to grow. In 2013, KPMG found that of 4,100 global companies surveyed seventy-one percent published ESG reports. The United Nations Principles for Responsible Investment has more than 1,500 signatories with over \$60 trillion of combined assets under management. These members seek ESG-related performance information from companies in order to analyze fully the risks and opportunities associated with existing and potential investments. Public disclosure of ESG information enables investors to learn how management is addressing near and long-term risks and opportunities (e.g. operational, reputational, and regulatory). Peers of Kraft Heinz such as Mondelez and Nestlé issue comprehensive sustainability reporting annually, including nutrition targets.

Many of Kraft Heinz's competitors recognize the risks of obesity and public health concerns in their 10-K reports. The World Health Organization (WHO) reports that obesity has reached epidemic proportions, with nearly 2 billion people overweight, including 41 million children. Kraft Heinz's competitors actively participated in the 2016 Access to Nutrition Index, which allows companies to view their progress on nutrition related issues compared to their peers. Kraft and Heinz were ranked separately, and both declined to participate in the Index which ranked the companies based on their reported information. The two companies ranked 18th and 19th, scoring just above the three companies who received a zero rating. In comparison, Mondelez, which split from Kraft Foods, ranked 4th. As one of the largest food companies, we believe Kraft Heinz can have a significant impact on nutrition and health issues. Not managing risks associated with the current public health crisis could pose significant regulatory, legal, reputational, and financial risks.

Sustainability reporting is increasingly expected by company shareholders and stakeholders. Concerned investors are continually monitoring and evaluating the ESG performance of companies alongside financial information. By implementing this resolution, Kraft Heinz can demonstrate its values, and can drive its practices and performance.

We urge you to support this resolution.

### Sustainable Protein

NEW

Tyson Foods, Inc.

**RESOLVED:** shareholders request that Tyson Foods report— within six months of the 2017 annual meeting, prepared at reasonable cost and omitting proprietary information—on the possible risks and challenges to Tyson and its investors from the increased prevalence of plant-based eating, and any specific steps the company is taking to address those risks and challenges.

**FACTS:** Reports NASDAQ, in an article titled, How the ‘Death of Meat’ Could Impact Your Portfolio: “From Lehman Brothers to Worldcom to the Soviet Union, many seemingly robust institutions can disappear in a flash. Other institutions can gradually fade away, which appears to be happening with meat.”

Indeed, consumers are eating less meat and more plant proteins—many out of concern for the environment, animal welfare and/or their own health. As Mintel’s 2016 Global Food and Drink Trends report predicts: “potential [meat] replacements appeal to the everyday consumer, foreshadowing a profoundly changed marketplace.”

Consider even these few examples:

- The Chinese government announced efforts to curb meat consumption by 50% amongst its 1.4 billion citizens.
- USDA data shows—quantitatively—decreasing per capita American meat consumption over the last decade.
- Meatingplace concludes: “Plant protein is in.” The industry publication’s data shows, “70 percent of meat eaters substituting a non-meat protein in a meal at least once a week and 22 percent saying they are doing it more often than a year ago.”
- NPR reports: “Even Carnivores Are Putting More Fake Meat on Their Plates.”
- The Wall Street Journal proclaims: “Anchoring a plate with a massive hunk of animal protein is so last century.”

Even Tyson’s CEO acknowledges this shift. Speaking at a BMO Capital Markets event, he noted increased consumption in non-meat proteins. “The consumer demand for those types of items continues to grow,” he said.

But what risks and challenges does that growth present to Tyson? Is the meat giant taking steps? Others are:

- Wendy’s, Denny’s, Subway, White Castle, Chili’s, TGI Friday’s and other chains now offer plant-based meals.
- European meat producers are responding: Wiesenhof launched a vegan sausage line, Rugenwalder Muhle launched a full vegan product line, and Tönnies is developing vegan products, reports GlobalMeatNews.com.
- Taco Bell advertises its “Vegetarian Certified” menu and Burger King has promoted Meatless Monday.
- Burger King’s former Chairman launched a plant-based meat company, and McDonald’s former CEO joined the board of Beyond Meat, a plant-based meat company.
- ConAgra—once a major meat processor—also helped build the Light Life brand of plant-based deli meats.
- KraftHeinz owns both Oscar Mayer meats, and Boca brand plant proteins.
- Target launched private brand plant proteins, and now has a “Plant-Based Protein” section in stores.
- Unilever offers plantbased versions of its ubiquitous Ben & Jerry’s and Hellmann’s brands.

Yet, Tyson has disclosed neither specific plans to meet the accelerating demand for plant proteins, nor how that demand could impact the company and investors. Shareholders are urged to vote FOR this proposal, which simply seeks disclosure around Tyson’s analysis and response to this major—and growing—shift.



### Animal Welfare

#### Post Holdings Inc

**RESOLVED:** shareholders request that Post Holdings provide a report to shareholders— within six months of the 2017 annual meeting, prepared at reasonable cost and omitting proprietary information— detailing the possible risks associated with the cage confinement of chickens within its egg supply chain and operations. The report should detail major potential risks and impacts, including those regarding brand reputation, customer relations, infrastructure and equipment, animal well-being, and regulatory compliance.

Supporting Statement: Post owns Michael Foods, which produces and sells eggs from chickens confined in cages.

Nearly all major U.S. food companies—including the largest egg buyers—have publicly instituted timelines for eliminating their purchases of eggs from caged chickens, committing to sourcing 100 percent cage-free eggs. (See partial list below, including Sysco—which accounted for 14 percent of Michael Foods’ 2015 net sales.)

Michael Foods acknowledges its customers are demanding a shift to cage-free eggs: “Our customers are increasingly requesting cage-free eggs and products made from cage-free eggs,” wrote the company in a 2015 press release.

In fact, so many retailers made cage-free pledges last year that Fox News called 2015, “The Year of the Cage-Free Hen.” Egg Industry—the industry’s trade journal—produced an article asking not if, but “When should U.S. egg producers scrap their cages?” Meanwhile, NPR reported that, “Most U.S. egg producers are now choosing cage-free houses.” These producers include:

- Rembrandt Foods—one of Michael Foods’ top competitors—announced, “Cage-free to become the standard for Rembrandt Foods.”
- Rose Acre—the second-largest U.S. egg producer—and Hillandale Farms each announced plans to become 100 percent cage-free.
- Hickman Farms announced that cage-free production is “the future of our industry and our business.”
- Egglund’s Best announced that it is converting to 100 percent cage-free by 2025.
- Gemperle Farms announced that, “In the current direction towards cage-free...we expect to be fully converted before 2024.”

Yet, Michael Foods has disclosed no specific plans to meet the cage-free demand. The company claims that it is “working with our customers and suppliers to transition to cage-free housing to anticipate demand,” but has not provided details. It also fails to disclose what risks may endanger the company and its investors as a result of its continued – and indefinite—use of cages despite the massive, wide scale shift of major egg buyers and producers to go cage-free.

#### **Partial list showing just some of the nearly 200 major egg buyers with 100 percent cage-free commitments:**

Sysco, Walmart, McDonald’s, Burger King, Costco, Kroger, IHOP, Denny’s, Jack in the Box, Starbucks, Sonic, Subway, Cracker Barrel, Wendy’s, Taco Bell, Aramark, Compass Group, Dunkin’ Donuts, Bob Evans, Albertson’s, Sodexo, Kellogg’s, Kraft Heinz, Mondelez, Nestle, Unilever, Bloomin’ Brands, Carl’s Jr., Cheesecake Factory, Chick-fil-A, Darden, Golden Corral, Hardee’s, 7-Eleven, Campbell Soup, ConAgra Foods, Aldi, P.F. Chang’s, Panera Bread, TGI Friday’s, Disney, General Mills, White Castle, Tim Hortons, Dollar General, Dollar Tree, Target, Krispy Kreme, and more.

**14**  
more resolutions  
than in 2016

### Health

ICCR members advocate for the equitable access and affordability of health care services and medicines in the U.S. and around the globe. Viewing health care as a universal right, each year members engage pharmaceutical companies, medical device manufacturers, health insurers, and large employers in an attempt to create a more equitable global health care system. This year, health-related filings rose from 4 to 18, due to a coordinated investor campaign aimed at providing transparency around escalating drug prices. There were a number of tobacco-related filings as well.

### Drug Pricing

Investors are concerned about the appropriate pricing of drugs in the U.S., as well as the impact of drug costs on patient access, the health care system and the larger economy. Americans paid \$310 billion for drugs in 2015, an 8.5% increase over 2014. One in four people in the U.S. report difficulty affording their prescription medicines and 43% of people in fair or poor health did not fill a prescription, or said they cut pills in half or skipped doses because of cost.

ICCR members asked 11 companies, including Bristol-Myers Squibb, Eli Lilly, Johnson & Johnson & Merck, to disclose their rates of price increases year-to-year of their top ten selling branded prescription drugs between 2010 and 2016, including the rationale and criteria used for these price increases.

Proposal Topic	Quantity
<b>Health</b>	<b>18</b>
Assess Financial Risks of In-Store Tobacco Sales	1
Board Oversight of Product Safety and Quality	2
Drug Pricing	11
Human Rights Policy Stressing Right to Health (Tobacco)	1
Sustainable Development Goals – Smoking in Movies	1
Tobacco Marketing in Lower-Income Communities	2

### Board Oversight of Product Safety

Product safety and quality are areas of high risk for both pharmaceutical companies and medical device manufacturers, exposing them to litigation, regulatory, reputational, and recall-related financial risks.

Shareholders asked Merck and Zimmer Biomet to evaluate the merits and feasibility of strengthening board expertise in manufacturing and product quality and safety, to create board committees dedicated to product quality and safety, and to adopt independent board chair leadership structures.





“We have all heard of Valeant and Turing’s dramatic drug price increases in 2016, and we likely know at least one person who has experienced the impact of the 500% price increase of Mylan’s EpiPen since 2009. The reputations of these companies were damaged and all experienced steep

declines in their stock prices. What may not make the headlines is the twice-yearly price increases other large pharmaceutical companies apply to drugs already on the market. Pfizer, for example, raised the list prices of its medicines in the U.S. an average of 10.4% in January 2016, and another 8.8% in June.

According to the consumer advocacy group Families USA, for families that cannot afford comprehensive health care, prescription drugs are the most common service to forego because the cost is so high. A Kaiser Foundation June 2015 poll found that nearly 75% of Americans believe the cost of prescription drugs is unreasonable.

For decades, ICCR members have pressed drug companies for greater disclosures on pricing structures as a way to promote greater access to medicines. A lack of transparency around how drug prices are determined has led to an industry-wide ethos of “whatever the market will bear”, which can lead to predatory pricing. At least sixteen states introduced legislation related to drug price transparency in 2015-16. Pharmas’ legislative and regulatory risks are also at the federal level, with a Senate bill that would require public disclosure and justification of price increases of more than 10% and investigation on possible collusion for insulin prices.

For the 2017 proxy season, ICCR members filed a shareholder proposal that asks pharmaceutical companies to: 1) disclose the rates of price increases year-to-year of their top selling branded prescription drugs between 2010 and 2016; 2) disclose the rationale and criteria used for these price increases; and 3) assess the legislative, regulatory, reputational and financial risks they represent for our companies.”

**Cathy Rowan, Director, Socially Responsible Investments  
—Trinity Health**

### Tobacco Marketing in Lower-Income Communities

Cigarette smoking is the nation’s number one avoidable cause of heart disease, cancer, stroke, and emphysema. The 1998 Master Settlement Agreement between tobacco companies and state attorneys general banned many advertising practices; however tobacco companies are still allowed signage in store windows. Recent studies show that lower-income zip codes have two-thirds more tobacco retailers per capita than higher-income zip codes.

This year, investors asked Altria Group and Reynolds American to voluntarily commit themselves to not allowing images of their logos or products to be placed anywhere outside stores or in store windows, and to halt payment of financial incentives for such placements.

### Assess Financial Risks of In-Store Tobacco Sales

There is an inherent conflict of interest in a pharmacy — a self-described health care facility — selling a known cancer-causing agent such as tobacco. While competitor CVS Caremark moved as early as 2014 to end its sales of cigarettes, Walgreens has resisted following suit and, frames its continued cigarette sales as a matter of competition with grocery store chains. While the company successfully challenged the resolution at the SEC on ordinary business grounds (meaning this resolution will not appear on Walgreens’ proxy statement), it includes issues of material concern to investors, and so we include it here.

Citing the considerable reputational risk to the company’s public health positioning, investors asked Walgreens to assess the financial risks, including long-term legal and reputational risks, of its continued sale of tobacco products.

### Drug Pricing

#### Johnson & Johnson

*Similar resolutions were submitted to AbbVie, Amgen Inc., Biogen, Inc., Bristol-Myers Squibb Company, Eli Lilly and Company, Gilead Sciences, Inc., Merck & Co., Inc., Pfizer, Inc., Regeneron Pharmaceuticals, Inc., Vertex Pharmaceuticals Incorporated.*

RESOLVED: Shareholders request the Board of Directors issue a report by November 1, 2017, at reasonable expense and excluding proprietary information, listing the rates of price increases year-to-year of our company's top ten selling branded prescription drugs between 2010 and 2016, including the rationale and criteria used for these price increases, and an assessment of the legislative, regulatory, reputational and financial risks they represent for our company.

WHEREAS: IMS Health research cites Americans paid \$310 billion (after taxes and rebates) for drugs in 2015, an 8.5 % increase over 2014; while the Cost of Living Adjustment and the Consumer Price Index were both relatively flat at roughly 1.7 % for this same period.

A Bloomberg/SSR Health analysis shows that the U.S. outpaces the world in the cost of branded medications in many cases by a factor of two, while a McKinsey report states prescription drugs in the U.S. cost 50% more than equivalent products in OECD countries.

A Kaiser Family Foundation poll found one in four people in the U.S. report difficulty affording their prescription medicines and 43% of people in fair or poor health did not fill a prescription, or said they cut pills in half or skipped doses because of cost. Risks of patient non-compliance due to the cost of medicines present a grave threat to public health and, in turn, to the economy.

According to a survey by the National Business Group on Health, "Overall, 80% of employers placed specialty pharmacy as one of the top three highest cost drivers."

Proposed legislation requiring pharmaceutical companies to justify price increases over 10% by disclosing what they spend on research, marketing and manufacturing was introduced in 12 states last year. California's Proposition 61 would prohibit states from paying more for prescription drugs than the lowest prices negotiated by the U.S. Department of Veterans Affairs. Given the public outcry over unsustainable drug costs, it is safe to assume further regulation on drug pricing is forthcoming.

According to the Campaign for Sustainable Rx Pricing, insurers, retailers, hospitals and medical professionals are all increasingly seeking proof of value for high-cost new drug treatments, and justification for increases for branded drugs already on the market.

Drug companies have become a lightning rod for criticism. According to a Kaiser study 74% of Americans said big pharma is too concerned about making money and not concerned enough about helping people. In an NPR Marketplace interview, GlaxoSmithKline CEO Andrew Witty conceded: "There's no transparency around what the real price of everything is."

Supporting Statement: Current price increases severely limit access to life-saving medicines, particularly for economically challenged patients: this has serious repercussions for public health and the economy. Given our stated commitment to promoting public health and to mitigating risks, it is incumbent on our company to provide detailed justification for price increases.

### Board Oversight of Product Safety and Quality

Merck & Co., Inc.

According to Merck's Code of Conduct, "We are committed to meeting or exceeding customer and regulatory requirements regarding the research, development, manufacturing, packaging, testing, supplying and marketing of our products. Quality means consistently satisfying requirements and expectations by delivering products and services of the highest value in a timely manner."

Product safety and quality issues present an area of high risk for Merck. Because its business is concentrated on pharmaceuticals and high production volumes, Merck is exposed to litigation, regulatory, reputational, and recall related financial risks.

Merck received a warning letter in 2016, a Form 483 in 2015, and six Form 483s in 2014, indicating potential emerging quality issues in the company's operations. Merck also faces controversies related to some of its products including Fosamax, Gardasil, and Avelox.

Given that the U.S. FDA and its international counterparts are increasingly prioritizing that drug manufacturers produce higher quality and more consistent outcomes in their manufacturing lots, we believe Merck's management needs stronger oversight from its Board. To do so, we believe Merck's Board should have multiple members with exceptional skills, knowledge, and experience in healthcare manufacturing to ensure long term, adequate oversight in this key operating area which is facing increasing regulatory scrutiny, competition and U.S. payer pushback.

An October 2016 PWC survey reported that 85% of board members in the pharma/life sciences industry feel that regulatory compliance risks pose the greatest oversight challenges to their boards. We are concerned that the Board lacks the necessary strengths and experience to meet these challenges.

Strong board oversight of management is also often improved with an independent chair, which can allow for better evaluation of the performance of senior executives and the company. An independent chair can also promote oversight of risk and assist in shareholder communications. In 2015, 55% of the S&P 1500 had an independent chair.

As Merck's reputation with institutional investors improves, pressure may build for it to meet operating margin, earnings and cash flow metrics that support short-term shareholder return generation. In striving to meet these kinds of expectations, we believe strong governance practices can play an important role in keeping quality assurance, quality control, product safety, and manufacturing integrity a high priority.

In Merck's 2016 proxy describing the "Experience and Qualifications of Particular Relevance to Merck" of its director nominees – experience in quality, safety or pharmaceutical manufacturing is not identified for any nominees.

**RESOLVED:** shareholders request that the Board issue a report (at reasonable cost, in a reasonable time and excluding confidential information) evaluating the merits and feasibility of Merck (1) strengthening Board expertise in pharmaceutical manufacturing and product quality and safety, (2) adopting an independent board chair leadership structure, and (3) any other related governance improvements the Board wishes to consider. The report should include sufficient information for investors to assess the quality of the evaluation and should provide the Board's recommendation.

### **Board Oversight of Product Safety and Quality**

#### Zimmer Biomet Holdings

According to Zimmer Biomet's Code of Business Conduct and Ethics, "Zimmer Biomet is committed to protecting the health and safety of its Customers, Team Members, the public and the environment" and "we have adopted and implemented regulatory compliant systems and processes to ensure the highest standards of quality and safety."

Product safety and quality issues present an area of high risk for Zimmer Biomet. Because its business is focused on orthopedic, prosthetic, and surgical appliances and supplies, and high production volumes, Zimmer Biomet is particularly exposed to regulatory, reputational, and recall related financial risks.

Most companies in the medical device manufacturing industry report that their operations are certified against ISO 9001 or equivalent widely accepted product safety/quality standard. Zimmer Biomet does not, and it does not appear that it has systematic and comprehensive supplier training for quality assurance. Finally, it has not shown that it has plans or policies to address situations where its suppliers or internal manufacturing systems unexpectedly fail and harm patients.

In July, the US Food and Drug Administration issued Zimmer Biomet a warning letter over nine quality system issues uncovered at its facility in Montreal. In 2015 the company had 29 recalls including the NextGen Complete Knee Solution.

Given that the U.S. FDA and its international counterparts are increasingly prioritizing that drug manufacturers produce higher quality and more consistent outcomes in their manufacturing lots, we believe Zimmer Biomet's management needs stronger oversight from its Board to ensure long term, adequate oversight in this key operating area which is facing increasing regulatory scrutiny, competition and U.S. payer pushback.

An October 2016 PWC survey reported that 85% of board members in the pharma/life sciences industry feel that regulatory compliance risks pose the greatest oversight challenges to their boards.

CVS Health and Johnson & Johnson are two examples of companies in this sector that are addressing this challenge by creating board committees with product safety and quality issues being a top priority of the committee mandates. JNJ's board committee was created after it confronted more than 7,500 lawsuits for its recalled hip implants and paid billions in settlements. We believe an equally important concern is board member expertise in product safety an

**RESOLVED:** shareholders request that the Board issue a report (at reasonable cost, in a reasonable time and excluding confidential information) evaluating the merits of Zimmer Biomet (1) updating existing board committee responsibilities to make explicit reference to product quality and safety in committee charter(s); (2) creating a board committee dedicated to product quality and safety; (3) strengthening Board expertise in pharmaceutical manufacturing and product quality and safety; and (4) adopting any other related governance improvements that the Board wishes to consider. The report should include sufficient information for investors to assess the quality of the evaluation and should provide the Board's recommendations.

### Assess Financial Risks of In-Store Tobacco Sales

#### Walgreens Boots Alliance

RESOLVED: Shareholders request the Board of Directors issue a report within six months of the 2017 annual meeting, at reasonable expense and excluding proprietary information, assessing the financial risk, including longterm legal and reputational risk, of continued sales of tobacco products in our stores.

Supporting Statement: Walgreens Boots Alliance's mission statement is: We help people around the world lead healthier and happier lives;

- Cigarette smoking has been identified by the Centers for Disease Control and Prevention and nearly every public health organization as the leading contributor to the nation's top four causes of death: heart disease, cancer, stroke, and emphysema, which take the lives of an estimated 480,000 Americans each year;
- The impact of tobacco consumption on health, wealth, and development was formally recognized through the adoption of the 2030 Sustainable Development Goals and the WHO Framework Convention on Tobacco Control (FCTC)<sup>1</sup> which commits member governments to combat the ongoing tobacco epidemic;

JAMA<sup>2</sup> reported that research on smoker behavior reveals that reducing the number of tobacco sales outlets reduces smoking among young people.

The United States remains the last country in the industrial world in which cigarettes can be purchased in pharmacies;

In March of 2014, a group of 28 U.S. attorneys general wrote a letter urging the CEOs of five major retailers, including Walgreens, to stop selling tobacco products, saying it is contradictory to carry such items in stores that also provide health care services.

Leading U.S. medical authorities including The American Pharmacists Association<sup>3</sup>, The American Medical Association House of Delegates,<sup>4</sup> The National Physicians Alliance, The American Academy of Pediatrics and the American Lung Association have all highlighted<sup>5</sup> the inherent conflict of tobacco sales in retail pharmacies.

In 2015, CVS Caremark eliminated all tobacco products from its stores, and the company was rebranded CVS Health to reflect "its broader healthcare commitment";

Leading national retail chains with pharmacies such as Wegmans and Target have stopped selling tobacco products arguing that it undermines the health and well-being of their customers and presents reputational risks;

In a CVS-commissioned study<sup>6</sup>, the company found a significant decrease in cigarette consumption in states where cigarette sales were discontinued in their stores;

Walgreens' continued sale of tobacco continues to be questioned in press reports including:

- The New York Times: <http://nyti.ms/1evUBWs>
- Forbes: <http://bit.ly/2ad7sFb>
- The Chicago Tribune: <http://trib.in/1nANG3t>
- The Wall Street Journal: <http://on.wsj.com/29X4F4W>;

SUMMARY: The medical community is in consensus around the contradictions of health care companies such as pharmacies continuing to sell tobacco which seriously undermines health. Moreover, U.S. officials have made clear their intention to pursue legal means to end tobacco sales in pharmacies. In light of this, we believe the legal, reputational and public health risks of tobacco sales in our stores presents significant risks to our investments and that these risks should be assessed and publicly reported.

For these reasons we urge you to vote FOR this proposal.

1. <http://bit.ly/1VOZ90u>

2. <http://bit.ly/1bqDC6v>

3. <http://bit.ly/2a9WKxk>

4. <http://bit.ly/2aheFDL>

5. <http://bit.ly/2a4RVDN>

6. <http://bit.ly/2axbyJx>

### **Tobacco Marketing in Lower-Income Communities**

Altria Group, Inc.

WHEREAS, according to the Centers for Disease Control and Prevention, people of low socioeconomic status have higher rates of cigarette smoking than the general population. The Campaign for Tobacco-Free Kids cites research in several cities finding that tobacco is advertised more aggressively in black communities. This advertising, while legal, appears on storefront displays. The 1998 Master Settlement Agreement between tobacco companies and state attorneys general banned many advertising practices; however, as of now, tobacco companies still are allowed signage in windows and storefronts.

In Philadelphia, a city analysis of licenses found that lower-income zip codes had two-thirds more tobacco retailers per capita than higher-income zip codes and three-quarters more within 1,000 feet of a school. This led Thomas Farley, Philadelphia's Health Commissioner, to declare of the tobacco companies involved: "They are not just selling them. They are marketing them, and marketing them to our children." He added: "I think that people should be quite unhappy and even outraged about the amount of marketing of this killer product in low-income neighborhoods by companies who want nothing more than to make a profit off people getting sick."

According to a report in the Philadelphia Inquirer (July 26, 2016), the tobacco industry spent 93 percent of its nearly \$9 billion in marketing expenditures in 2013 at point of sale sites, including ads and price discounts. \$54 million of it was in Philadelphia. "Philadelphia is among the highest of major cities [with its smoking rates]. Disparities by neighborhood—27 percent in low-income zip codes vs. 17 percent in more affluent areas—roughly mirror differences in tobacco retailer density and advertising."

A reader of the online version of the Inquirer article cited above commented: "The only people who buy smokes in Philly are too poor to have a car or too stupid to drive a few miles and avoid the taxes, so of course they're advertising more in these neighborhoods."

Besides being heavily advertised and widely available, certain tobacco products have been found to be priced lower in African American communities, making them more appealing, particularly to price-sensitive consumers.

Asked to respond to such data our Company and its main competitor insisted they do not market to youth. However, they did not indicate that such displays outside such stores in minority neighborhoods were not marketing efforts. With rare exceptions, no such displays are evidenced in supermarkets outside minority neighborhoods.

To have a balanced approach to selling its tobacco products between poorer and richer neighborhoods:

RESOLVED, Altria voluntarily commit itself that, by August 15, 2017, it will not allow any images of its logo or products be placed anywhere outside any store, in store windows or anywhere else inside any store selling its tobacco products and will stop incentives to any retailer for such placements.



### **Tobacco Marketing in Lower-Income Communities**

Reynolds American Inc.

WHEREAS, the Centers for Disease Control and Prevention states that people of low socioeconomic status have higher rates of cigarette smoking than the general population. The Campaign for Tobacco-Free Kids cites research in several cities finding that tobacco is advertised more aggressively in black communities.

In Philadelphia, a city analysis of licenses found that lower-income zip codes had two-thirds more tobacco retailers per capita than higher-income zip codes and three-quarters more within 1,000 feet of a school. This led Philadelphia's Health Commissioner to declare of the tobacco companies involved: "They are not just selling them. They are marketing them, and marketing them to our children." He added: "I think that people should be quite unhappy and even outraged about the amount of marketing of this killer product in low-income neighborhoods by companies who want nothing more than to make a profit off people getting sick."

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A reader of the online version of the above Inquirer article commented: "The only people who buy smokes in Philly are too poor to have a car or too stupid to drive a few miles and avoid the taxes, so of course they're advertising more in these neighborhoods."

Certain tobacco products have been priced lower in African American communities, making them more appealing, particularly to price-sensitive consumers. A 2011 study of cigarette prices in retail stores across the U.S. found that Newport cigarettes are significantly less expensive in neighborhoods with higher proportions of African Americans (Resnick, EA, et al., "Cigarette Pricing Differs by U.S. Neighborhoods," Institute for Health Research and Policy, University of Illinois at Chicago, 2012, [www.bridgingthegapresearch.org](http://www.bridgingthegapresearch.org)).

The 1998 Master Settlement Agreement between tobacco companies and state attorneys general banned many advertising practices; however, as of now, tobacco companies still are allowed signage in windows and storefronts.

RAI and its main competitor insist they do not market to youth. However, they do not respond to concerns that such displays outside such stores in minority neighborhoods are marketing efforts. Few, if any such displays are evidenced at supermarkets outside such demographic areas.

In order to have a balanced approach to selling its tobacco products between poorer and richer neighborhoods:

RESOLVED, Reynolds American Inc. voluntarily commit itself that, by August 15, 2017, it will not allow any images of its logo or products be placed anywhere outside any store, in store windows or anywhere else inside any store selling its tobacco products and will stop incentives to any retailer for such placements.

### Human Rights Policy Stressing Right to Health (Tobacco)

Philip Morris International

WHEREAS: In 2011 the United Nations released: "Guiding Principles on Business and Human Rights." Among peoples' basic rights are the right to life and liberty, education and welfare, including the right to health. In an effort to abide by these Principles, PMI became a member of the UN's Global Compact on Human Rights on June 19, 2015.

Later, The New York Times featured extended articles outlining how PMI, through its involvement in the United States Chamber of Commerce, has undermined nations' efforts to protect their citizens from smoking-related harm and deaths ("U.S. Chamber of Commerce Works Globally to Fight Antismoking Measures," June 30, 2015; "U.S. Chamber Fights Smoking Laws While Hospitals and Insurers Sit on Its Board," July 1, 2015; "Big Tobacco's Staunch Friend in Washington: U.S. Chamber of Commerce," October 9, 2015).

The Times noted this effort involves "a three-pronged strategy in the Chamber's global campaign to advance the interests of the tobacco industry" in face of countries' efforts to curb the use of tobacco: 1) "the Chamber lobbies alongside its foreign affiliates to beat back antismoking laws;" 2) "in trade forums, the Chamber pits countries against each other and 3) in the widely-reported efforts of the Chamber to "defend the ability of the tobacco industry to sue under future international treaties, notably the Trans-Pacific Partnership" (TPP).

A February 25, 2015 Washington Post piece reported that a section of the then-proposed TPP's "Investor-State Dispute Settlement" (ISDS) was used by Philip Morris "to stop Uruguay from implementing new tobacco regulations intended to cut smoking rates." However, when this issue was taken to the World Bank's International Center for Settlement of Investment Dispute, it decided in favor of Uruguay's right to regulate tobacco packaging for the public health and has ordered PMI to pay \$7 million to cover fees and expenses (<https://business-humanrights.org/en/intl-tribunal-rules-uruguay-has-right-to-protect-public-health-through-tobacco-regulation-in-case-brought-by-philip-morris>).

Commenting on "Big Tobacco's controversial, ailing crusade" such as the above, The Economist noted (August 6, 2016) that such "avenues may be closing" due to recent rulings by the World Bank and the European Court of Justice that make it "likely that more governments will in future prioritize public health over IP."

PMI has a right to protect and ensure its intellectual property rights (IP). However, the proponents of this resolution believe any related rights are secondary to human rights, especially peoples' right to health and governments' rights to ensure their citizens' health, especially when the degree and expanse of this global corporate/industry effort to undermine such governments' efforts is not publicly known.

RESOLVED: that PMI's independent directors create a Review Committee to review, adapt, and monitor the Company's human rights policy to ensure that its global and national lobbying and marketing practices, as well as those of industry bodies to which it belongs, are not undermining efforts of sovereign countries to protect their citizen's health. This Review Committee shall report its findings annually in conjunction with PMI's annual meeting.

### **Sustainable Development Goals – Smoking in Movies**

Time Warner Inc.

WHEREAS: In 2015, more than 190 world leaders at the United Nations committed to 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet and ensure prosperity for all. The US Council for International Business (USCIB) states that the SDGs create “a tremendous opportunity for the private sector to demonstrate the central role it plays in sustainable development and human prosperity”. The UN Secretary General has underscored the crucial role that businesses play in the realization of the Sustainable Development Goals.

Health underpins many of the 17 goals. The first SDG goal is to “end poverty in all its forms everywhere.” Good health supports economic growth and reduces poverty. Goal 2 aims “to end hunger, achieve food security and improved nutrition.” Prevention, including a healthy and balanced diet, is critical for avoiding disease. SDG Goal 3 is: “To ensure healthy lives and promote well-being for all at all ages.” Tobacco is the number one cause of preventable death and disease worldwide;

The Goals recognize, on a global scale, the negative impact of tobacco consumption on health, wealth and development;

The movie industry is a global business with U.S. movie companies dominating the global market, including economically developing countries;

Commenting on a 2012 report from the Motion Picture Academy of America noting worldwide box office tallies, Phil Hoad, writing in *The Guardian*, stated: “The MPAA report is still, sadly, low on detail on overseas activity, despite abroad being where Hollywood’s compass points these days. It certainly doesn’t broach the touchy question – loaded with the old cultural-imperialism chestnut – of exactly what level of dominance Hollywood enjoys worldwide”;

It is unknown what percentage of box office receipts are coming from economically developing countries. However, nearly one billion people in the world smoke every day, with 80% of these living in low- and middle-income countries. Over six million people die from tobacco use every year. This makes tobacco a barrier to sustainable development in such countries;

The Centers for Disease Control and Prevention, the Surgeon General and the World Health Organization have shown that tobacco portrayals in youth-friendly movies are (after parental smoking and peer-influence) the key deliverer of youth to smoking. This fact is a critical concern for countries facing health costs incurred from tobacco use;

Given the statistics above, it seems quite clear to some of our Company’s shareholders that tobacco impressions in youth-friendly movies may be undermining the realization of the Sustainable Development Goals.

THEREFORE, RESOLVED that shareholders request that Time Warner issue a report describing how the company will ensure shareholders that its policies and practices are advancing and not undermining the Sustainable Development Goals.

### Human Rights/ Human Trafficking

ICCR members see their work through a social justice lens, and for more than two decades, have worked with companies to eradicate human rights abuses in their supply chains, including human trafficking, child labor, and forced or debt/bonded labor. In face-to-face dialogues, roundtables, and via shareholder resolutions, ICCR members educate companies about the enormous human, financial and reputational implications they face when they lack formal human rights policies to properly manage risk. ICCR's "No Fees" initiative works with companies across all sectors to ensure that workers in their immediate and extended supply chains are not forced to pay for employment. In 2016 ICCR launched a new "Fair Chance Hiring" initiative to encourage companies to adopt 'fair chance' employment practices to give people with criminal records greater access to jobs. In addition, ICCR's Bangladesh Initiative encourages apparel companies to sign and implement the Bangladesh Accord on Fire and Building Safety, which helps ensure worker safety and worker empowerment in Bangladesh garment factories.

#### Ethical Labor Recruitment

The International Labor Organization estimates that at least 20.9 million people are victimized by forced labor globally. There is growing awareness of the role played by unscrupulous labor recruiters in exploiting workers and job seekers through charging fees, withholding personal papers/passports and failing to provide written contracts spelling out the terms of employment. Failure to put proactive policies and procedures in place exposes corporations to significant risks, including legal action and media reports that negatively impact reputation.

ICCR members have been in dialogue with 70 corporations across six sectors about their ethical recruitment practices. Investors asked

Proposal Topic	Quantity
<b>Human Rights/Human Trafficking</b>	<b>19</b>
Assess Human Trafficking/Forced Labor in Supply Chain	1
Conflict-Afflicted Areas	1
Criminal Background Checks in Hiring Decisions <b>NEW</b>	1
Digital Equity	1
Ethical Labor Recruitment	2
Fair Employment Principles	1
Human Rights Risk Assessment	3
Independent Director with Human Rights Expertise	1
No Business with Governments Complicit in Genocide – Burma	1
Principles for Minimum Wage Reform	5
Privacy, Free Expression, and Data Security	2

Motorola and Xerox to disclose the remedial efforts they have taken to ensure that their global supply chains are free of forced or bonded labor, including any efforts to reimburse workers for recruitment fees that were paid in violation of company policies.

#### Principles for Minimum Wage Reform

Until the early 1980s, an annual minimum-wage income—after adjusting for inflation—was above the poverty line for a family of two. Today, the federal minimum wage of \$7.25 per hour yields an annual income of only \$15,080, well below the federal poverty line for families. Proponents argue that poverty-level wages undermine consumer spending.

In the second year of a minimum wage filing campaign, ICCR members asked 5 large employers to adopt principles for minimum wage reform to help ensure that workers can support their families. Chipotle Mexican Grill and CVS Health received second-year resolutions, while Amazon, Home Depot and TJX received new filings.



“A growing number of leading corporations have responded to abuses faced by migrant workers by adopting “no fees” commitments, seeking to ensure that recruiters are paid by employers, not workers.

According to the *UN Guiding Principles on Business and Human Rights*, companies have the ‘corporate responsibility’ to respect human rights within their operations and supply chains. ILO Convention 181 and the *Dhaka Principles for Migration with Dignity* establish clear “no fees” principles. As a multinational company dependent upon extended supply chains in many countries, Motorola Solutions must assess if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The risk is high. According to a US Department of Labor-funded study, “92 percent of the migrant workers in Malaysia’s electronics industry had paid recruitment fees and that 92% of that group had paid fees that exceeded legal or industry standards.” (*Report Cites Forced Labor in Malaysia’s Electronics Industry*, New York Times, September 17, 2014)

Motorola Solutions has ethical recruitment policies and as an EICC member, has adopted a “no fees” commitment. It describes its process for implementing its forced labor and human trafficking policies. However, out of its entire global supply chain, Motorola Solutions reports that it only audited fourteen sites in 2015. It reports that 21 “freely chosen employment” issues were identified, but provides no further information.

Investors have insufficient information to gauge how well the company is addressing this serious risk to workers and to the company. Our proposal seeks to rectify that by requesting an annual report disclosing the company’s efforts to ensure that its global supply chain is free of forced or bonded labor, including any efforts to reimburse workers for recruitment fees that were paid in violation of company policies.”

**Adam Kanzer, Managing Director, Director of Corporate Engagement and Public Policy – Domini Impact Investments LLC**

### **NEW** Criminal Background Checks in Hiring Decisions

An estimated 70 million Americans, or almost 1 in 3 adults, have some sort of criminal record, which disqualifies them from most employment opportunities. Many of these people are qualified individuals who do not pose any risk in the workplace.

This year investors asked Amazon to report on its use of criminal background checks in hiring and employment decisions for company employees, independent contractors, and subcontracted workers.

### Human Rights Risk Assessment

The United Nations Guiding Principles on Business and Human Rights urges businesses to “carry out human rights due diligence ... assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.” Corporations operating in countries with lax labor, health and safety or environmental standards can face serious human rights risks that may threaten shareholder value if human rights violations are found within their operations or supply chains.

Shareholders asked Kroger, Newmont Mining, and Restaurant Brands to report on their processes for identifying and analyzing human rights risks in their operations and supply chains, and to identify the methodology used to track and measure performance, and to describe how the results of such assessments are incorporated into company policies and decision making.

### Criminal Background Checks in Hiring Decisions

**NEW**

Amazon.com, Inc

**RESOLVED:** Shareholders of Amazon.com (the "Company") request that the Board of Directors prepare a report on the use of criminal background checks in hiring and employment decisions for the Company's employees, independent contractors, and subcontracted workers. The report shall evaluate the risk of racial discrimination that may result from the use of criminal background checks in hiring and employment decisions. The report shall be prepared at reasonable cost and omit proprietary information, and shall be made available on the Company's website no later than the 2018 annual meeting of shareholders.

Supporting Statement: Approximately one-third of US adults have a criminal record according to the national Employment Law Project (<http://www.nelp.org/campaign/ensuring-fair-chanceto-work/>). Because the criminal justice system disproportionately affects minorities, the use of arrest and conviction records in employment decisions may violate the Civil Rights Act of 1964 and the Equal Employment Opportunity Commission's guidelines if such policies are not job related for the position in question and consistent with business necessity (<https://www.eeoc.gov/laws/guidance/arrest-conviction.cfm>).

Our Company is a large and growing employer who also subcontracts with staffing agencies and uses independent contractors for various positions including warehouse jobs and delivery drivers. Like at many companies, criminal background checks are used in hiring decisions for these positions. In our opinion, excluding individuals who have had previous contact with the criminal justice system may hurt our Company's competitiveness in attracting and retaining top talent.

The disparate impact that such practices may have on people of color may also work against our Company's commitment to diversity. While it may be appropriate to disqualify certain individuals with relevant criminal records from specific positions, an overly restrictive ban on employing all individuals with any criminal record in effect imposes a second sentence. We believe that previously incarcerated individuals who have paid their debt to society deserve a chance to achieve gainful employment.

On October 12, 2016, the Lawyers' Committee for Civil Rights and Economic justice wrote to our Company's CEO Jeff Bezos to express concern about a purported new Company directive that requires delivery companies that our Company contracts with to institute more stringent background check procedures. The letter alleges that dozens of primarily black and Latino delivery drivers in the Boston area were terminated as a result of this change (<http://lawyers.com.org/lawyers-committee-urges-amazon-to-halt-employmentpractices-thatharm-communities-of-color/>).

This proposal urges the Board of Directors to prepare a report on the Company's criminal background check practices and policies and the risk that racial discrimination may result. In our view, the use of criminal background checks for employment decisions creates significant legal, reputational and operational risks. Accordingly, we believe that the Board of Directors has an obligation to adequately inform itself of and manage these material risks to the Company.

For these reasons, we urge shareholders to vote FOR this proposal.

### Principles for Minimum Wage Reform

Amazon.com, Inc

*Similar resolutions were submitted to CVS Health Corp, Chipotle Mexican Grill, Inc., Home Depot, Inc., TJX Companies, Inc.*

RESOLVED: Amazon.com, Inc. shareholders urge the Board to adopt and publish principles for minimum wage reform.

This proposal does not encompass payments used for lobbying or ask the Company to take a position on any particular piece of legislation. Nor does this proposal seek to address the Company's internal approach to compensation, general employee compensation matters, or implementation of its principles for minimum wage reform. The appropriate timing for publishing the principles should be in the Board's discretion.

Supporting Statement: We believe that principles for minimum wage reform should recognize that:

1. A sustainable economy must ensure a minimum standard of living necessary for the health and general well-being of workers and their families; and
2. The minimum wage should be indexed to maintain its ability to support a minimum standard of living; and to allow for orderly increases, predictability and business planning.

Until the early 1980s, an annual minimum-wage income — after inflation adjustment — was above the poverty line for a family of two. Today, the federal minimum wage of \$7.25 per hour, working 40 hours per week, 52 weeks per year, yields an annual income of \$15,080, well below the federal poverty line for families.

Poverty-level wages and income inequality may undermine consumer spending and economic growth. A widely reported 2014 S&P report stated: "increasing income inequality is dampening U.S. economic growth." Peter Georgescu of Young & Rubicam wrote: "Business has the most to gain from a healthy America, and the most to lose by social unrest." According to MSCI, stagnant wages can be a key driver of populist movements, which can lead to stagflation and material losses for broadly diversified portfolios.

There are many examples of corporate and civic leaders supporting stronger wages and indexing:

- In his campaign, Donald Trump (then Chairman of Trump Organization) called for a minimum wage increase.
- Early Amazon.com investor Nick Hanauer has campaigned to raise the federal minimum wage to \$15.
- Costco CEO Jelinek, Morgan Stanley CEO Gorman, former McDonald's CEO Thompson, and Panera CEO Shaich have indicated support for a federal minimum wage increase.
- Subway CEO DeLuca supports a minimum wage increase and indexing to enable business planning.
- JPMorgan CEO Dimon said in a 2016 op-ed: "Wages for many Americans have gone nowhere for too long."

Polling demonstrates minimum wage reform is one of the nation's most significant social policy issues. For example, an August 2016 Pew Research Poll shows that 58 percent of Americans favor a \$15 federal minimum wage.

More than six hundred leading economists, including seven Nobel Prize winners, say that the U.S. should raise the minimum wage and index it. Studies indicate that increases in the minimum wage have had little or no negative effect on the employment of minimum wage workers. Some research suggests a minimum wage increase could have a small stimulative effect on the economy.

### **No Business with Governments Complicit in Genocide – Burma**

Chevron Corp.

WHEREAS: Chevron, in partnership with Total, the Petroleum Authority of Thailand, and Myanmar Oil and Gas Enterprise (MOGE), holds equity in one of the largest investment projects in Burma (Myanmar): the Yadana gas-field and pipeline that generates billions of dollars for the Burmese government.

In 2005, Chevron acquired Unocal along with the legal, moral, and political liabilities of its investment in Burma. Human rights organizations documented egregious human rights abuses by Burmese troops employed to secure the Yadana pipeline area, including forcible relocation of villagers and use of forced labor. In March 2005, Unocal settled a case for a reported multi-million dollar amount in which it was claimed that Unocal was complicit in human rights abuses by Burmese troops hired by the Yadana project to provide security.

In Burma, foreign participation in the energy sector takes place through joint ventures with the state-owned Myanmar Oil and Gas Enterprise (MOGE). U.S. lawmakers, including Sen. John McCain and former Sen. Joseph Lieberman, have described their concerns that “MOGE’s operations lack transparency, that it remains overly influenced by the Burmese military, and that the large amounts of foreign investment flowing into MOGE are not sufficiently accountable to the Burmese people or its parliament.”

In March 2015, Chevron entered into an additional Production Sharing Contract with MOGE to explore for oil and gas in the Rakhine Basin.

Rakhine State is home to the Rohingya people, an ethnic minority subject to a government-sanctioned campaign of repression and violence. Despite often having lived in Burma for generations, the Rohingya are denied citizenship, freedom of religion, and voting rights. In 2012, Burmese security forces moved more than 120,000 Rohingya from their homes into detention camps where access is restricted to basic services, such as food, healthcare, and education.

In late November 2016, the U.N.’s human rights agency said that abuses suffered by the Rohingya may amount to crimes against humanity. The U.S. Holocaust Memorial Museum has reported that the Rohingya are “at grave risk of additional mass atrocities and even genocide.”

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. In this regard, 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 2017 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.

**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 or crimes against humanity.



### Conflict-Afflicted Areas

#### Intel Corporation

WHEREAS, Intel's Code of Conduct emphasizes the "need to uphold Intel's long-standing, global reputation as a role model for ethical and socially responsible behavior;"

WHEREAS, Intel's Human Rights Principles state that the company regularly assesses human rights-related risks and potential impacts, reviews its policies and management processes, and seeks input from stakeholders;

WHEREAS, the UN Guiding Principles, formally integrated into Intel's Human Rights Principles, call for enhanced due diligence in conducting human rights impact assessments in conflict-affected areas and respecting the standards of international humanitarian law;

WHEREAS, Intel was one of the first companies to exclude conflict minerals from its supply chain, and has worked diligently to put systems and processes in place enabling the company to reasonably conclude that the minerals in Intel products do not finance or benefit armed groups engaged in serious human rights abuses and violations of international humanitarian law;

WHEREAS, as shareholders we believe that in an increasingly unstable world, it would be prudent for Intel to develop systems and processes enabling the company to reasonably conclude that any business it conducts in other conflict-affected areas, including situations of belligerent occupation where a state invades and imposes control over a foreign territory and its population, also meets Intel's high standard of respect for human rights and international humanitarian law;

RESOLVED: Shareholders request that Intel assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company's approach to mitigating the heightened ethical and business risks associated with procurement, investment and other business activities in conflict-affected areas other than areas already addressed through its conflict minerals policy, including situations of belligerent occupation. In particular, the report should consider the appropriateness of supplementing Intel's Human Rights Principles with additional rules and procedures enabling the company to avoid directly or indirectly aiding or acquiescing to violations of international humanitarian law committed by occupying forces, such as:

- the transfer of protected persons from, or their forced displacement within, an occupied territory;
- the transfer of parts of an occupying power's population into an occupied territory;
- the destruction and appropriation of property in an occupied territory, not justified by military necessity and carried out unlawfully and wantonly;
- the vesting of rights of ownership, possession or use of such property in an occupying power's
- civilian public bodies or nationals; the establishment of legal entities or undertakings in an occupied territory for the primary benefit of the occupying power's nationals;
- the extraction of minerals or other non-renewable resources in an occupied territory for the
- benefit of the occupying power or its nationals.

Supporting Statement: We believe that it is in Intel's best interest, advancing its corporate reputation and human rights leadership, to establish such policies that would be applicable to any conflict theater in which the company and its subsidiaries may operate, procure materials and services, or invest, from Central Africa to the Middle East to the former Soviet Union.

Please vote your proxy FOR this proposal.

### Privacy, Free Expression, and Data Security

Verizon Communications Inc.

Issues of privacy, free expression and data security can result in risks for the company (via litigation, reputational damage, regulatory attention, or commercial disruptions) and may adversely affect shareholder value.

According to Human Rights Watch, “at present, private utilities and other companies around the world vary widely in what data they retain, and their practices in many instances affect or determine what governments are able to collect and monitor.”

In 2015, in recognition of worldwide concerns over government surveillance and the role of telecommunications companies, the UN Human Rights Council appointed the UN Special Rapporteur on the Right to Privacy.

In 2013, it was revealed that a U.S. court order required Verizon to give the National Security Agency information on all telephone calls in its systems. In 2014, the German government cancelled a contract with Verizon because of its association with surveillance programs.

In July 2016, Verizon proposed to acquire Yahoo, Inc. for \$4.8 billion. Subsequently, Verizon learned of a data breach involving an estimated 500 million Yahoo accounts. Additionally, Reuters reported that Yahoo secretly built a custom software program to search all of its customers' incoming emails for specific information flagged by U.S. intelligence officials. The EU's 28 data protection authorities have asked Yahoo to explain itself in light of EU law.

In August 2016, U.S. Senator Franken said: “I believe that all Americans have a fundamental right to privacy, which is why I have some concerns about what a Verizon-Yahoo deal would mean for the collection, use, and sharing of some of their customers' most sensitive digital information.”

This aspect of the Yahoo deal could have financial impacts for years to come.

Since 2013, the Telecommunications Industry Dialogue (including AT&T and Vodafone) has gathered to “jointly address freedom of expression and privacy rights in the telecommunications sector in the context of the UN Guiding Principles on Business and Human Rights.”

In 2016, Facebook, Google, LinkedIn, Microsoft and Yahoo (members of the Global Network Initiative (“GNI”)) participated in independent assessments of implementing the GNI Principles, which “provide a framework to guide the ICT industry and its stakeholders on respecting the freedom of expression and privacy of users.” Verizon has made several policy commitments regarding privacy, free expression and data security. However, it has not provided a significant account of how it implements those commitments.

**RESOLVED:** Verizon shareholders ask the Board to review and publicly report (at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information) on Verizon's progress toward implementing its various commitments pertaining to privacy, free expression and data security.

**Supporting Statement:** A report adequate for investors to assess Verizon's progress would consider the company's relevant systems, policies, and procedures, including due diligence procedures, and it would address the company's relevant policy commitments including its Privacy Policies, Human Rights Policy, and Broadband Commitment Policy. This proposal does not request information on international activity, national security, nor disclosures that would violate any laws.

### Privacy, Free Expression, and Data Security

AT&T Inc.

WHEREAS: There is widespread public debate about how cooperation between U.S. law enforcement entities and telecommunications companies affects Americans' privacy and civil rights.

Senator Edward Markey, one of many policymakers calling for regulators to review AT&T's proposed acquisition of Time Warner, remarked in October 2016: "We need a telecommunications market...where our right to privacy is maintained even when technologies change."

AT&T's Privacy Policy indicates the Company seeks to protect customer information and privacy while complying with applicable law. The July 2016 Transparency Report states: "Like all companies, we are required by law to provide information to government and law enforcement agencies, as well as parties to civil lawsuits, by complying with court orders, subpoenas, lawful discovery requests and other legal requirements."

However, the above guidance, which indicates a cautious approach to cooperating with law enforcement agencies, is at odds with AT&T's vast Hemisphere program.

Revealing details of Hemisphere in 2013, The New York Times reported that local and federal law enforcement agencies "had routine access, using subpoenas, to an enormous AT&T database that contains the records of decades of Americans' phone calls."

According to that report, "[t]he government pays AT&T to place [AT&T] employees in drug-fighting units around the country" and "[t]he Obama administration acknowledged the extraordinary scale of the Hemisphere database and the unusual embedding of AT&T employees in government drug units in three states."

In October 2016, we learned that AT&T positioned Hemisphere as a lucrative product aimed at a wide range of agencies and investigations. The Daily Beast reported: "Sheriff and police departments pay from \$100,000 to upward of \$1 million a year or more for Hemisphere access."

Several additional aspects of Hemisphere appear to go above and beyond legal requirements:

- Hemisphere is an extraordinarily large database going back as far as 1987, according to The New York Times. Other reports indicate AT&T's cellular tower data retention exceeds that of peer companies like Verizon and Sprint.
- AT&T hides Hemisphere by apparently requiring agencies not to use Hemisphere data in court unless no other evidence is available.
- Hemisphere's size and AT&T's decision to offer forms of analysis which connect call records and phones to each other enable searches which would not otherwise occur.
- Hemisphere and AT&T's involvement in it have prompted questions from legal experts and widespread attention from global media outlets including The Wall Street Journal, Guardian, and Breitbart.

While AT&T must follow the law, shareholders are concerned that failure to persuade customers of a consistent and long-term commitment to privacy rights could present serious financial, legal, and reputational risks.

RESOLVED: Shareholders ask the Board to review and publicly report (at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information) on the consistency between AT&T's policies on privacy and civil rights and the Company's actions with respect to U.S. law enforcement investigations. This proposal addresses programs in use domestically like Hemisphere. It does not request information on international activity, national security, nor disclosures that would violate any laws.

### Digital Equity

AT&T Inc.

WHEREAS: Internet access is essential for full participation in America's economy and democracy. McKinsey reports that the Internet is a "net job creator".

Yet today, 34 million Americans do not have fixed high-speed Internet. Those left out are more likely to be communities of color, poor people, elders or rural residents. Studies show that the biggest reason these Americans don't have broadband is cost.

AT&T's role in providing low-income communities with affordable broadband receives considerable public attention. There is concern, however, that AT&T is failing to live up to its commitments in this regard, exposing the Company to significant legal, financial and reputational risk.

The Federal Communications Commission concluded in 2016 that "broadband is not being deployed to all Americans in a reasonable and timely fashion." The Center for Public Integrity reported that the findings raise "the possibility the [FCC] may impose regulations to require providers to upgrade and expand their networks faster."

As a condition of AT&T's merger with DIRECTV, the FCC mandated that AT&T offer an affordable access program for low-income consumers. That program, "Access from AT&T," launched in April 2016.

However, hundreds of thousands of AT&T customers may not qualify for "Access from AT&T" because service in their neighborhoods is so slow that they fall outside merger conditions. The National Digital Inclusion Alliance cites FCC data showing "a high concentration" of those households lie in low-income areas of Detroit, Cleveland and other cities.

Telecommunications advocate Harold Feld has written that unequal service quality in low-income areas is an example of "the return of redlining on a massive scale." "This is a civil rights issue," said Bill Callahan, director of non-profit organization Connect Your Community.

AT&T has stated it is "working to expand the eligibility process of Access from AT&T." However, the Company has not disclosed a plan.

Also, AT&T has not committed to make the federal Lifeline Broadband program available in all service areas; Lifeline Broadband authorizes a subsidy to help low-income households pay for cellular data and home Internet.

Peer company Comcast offers "Internet Essentials," which serves more than 750,000 low-income families.

As AT&T considers new acquisitions, the Company's reputation for delivering on commitments will be weighed by regulators and the public. Investors question AT&T's commitment to serving low-income communities and realizing the accompanying business opportunities.

RESOLVED: Shareholders ask the Board to review and publicly report on (at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information) AT&T's progress toward providing Internet service and products for low-income customers.

Supporting Statement: A report adequate for investors to assess AT&T's progress would consider: to what degree the Company has time-bound goals to enroll low-income broadband customers; participation in government subsidy programs aimed at potential customers; how many people currently participate in Access from AT&T and other low-income programs; and, how AT&T is reaching out to low-income communities where access is limited.

### Independent Director with Human Rights Expertise

Caterpillar Inc.

WHEREAS, Caterpillar Inc., a global corporation, faces increasingly complex problems as the international social and cultural context changes.

Companies are faced with ethical and legal challenges arising from diverse cultures and political and economic contexts. Today, management must address issues that include human rights, workers' right to organize, non-discrimination in the workplace, protection of environment, and sustainable community development. Caterpillar itself does business in countries with human rights challenges including China, Singapore, Middle East, Israel and occupied Palestinian territories.

We believe global companies must implement comprehensive codes of conduct, such as those found in

Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance, developed by an international group of religious investors ([www.bench-marks.org](http://www.bench-marks.org)).

Human rights expertise at both management and board levels is critical to industrial companies' success because of significant environmental issues associated with their operations. These impact shareholders, lenders, host country governments and regulators, as well as affected communities and indigenous peoples. Companies' ability to demonstrate policies and best practices reflecting internationally accepted human rights standards can lead either to successful business planning or, if not in place, difficulties in raising new capital and obtaining the necessary licenses from regulators.

We believe Caterpillar's Board of Directors would benefit by electing to its Board independent specialists versed in all business aspects of human rights. Just one authoritative figure with acknowledged expertise and standing could perform a valuable role in ways that would enable the Board to more effectively address issues and risks inherent in its present business model regarding human rights. It would also help ensure that the highest levels of attention are focused on developing human rights standards for new projects.

RESOLVED, shareholders request that, as elected board directors' terms of office expire, the Caterpillar Board Nominating Committee nominate for Board election at least one candidate who: has a high level of human rights expertise and experience in human rights matters relevant to Company production and supply chain, related risks, and is widely recognized in business and human rights communities as such, as reasonably determined by the Board, and will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the Board, as an independent director.\*

\*A director shall not be considered "independent" if, during the last three years, she or he:

- was, or is affiliated with a company that was an advisor or consultant to Company;
- was employed by or had a personal service contract(s) with Company or senior management;
- was affiliated with a company or non-profit entity that received the greater of \$2 million or 2% of its gross annual revenues from Company;
- had a business relationship with Company worth at least \$100,000 annually;
- has been employed by a public company at which an executive officer of Company serves as a director;
- had a relationship of the sorts described herein with any affiliate of Company; and
- was a spouse, parent, child, sibling or in-law of any person described above.

### Fair Employment Principles

Alphabet, Inc.

WHEREAS, Alphabet has operations in Palestine/Israel;

WHEREAS, achieving a lasting peace in the Holy Land -- with security for Israel and justice for Palestinians -- encourages us to promote a means for establishing justice and equality;

WHEREAS, fair employment should be the hallmark of any American company at home or abroad and is a requisite for any just society;

WHEREAS, Holy Land Principles Inc., a non-profit organization, has proposed a set of equal opportunity employment principles to serve as guidelines for corporations in Israel/Palestine.

These are:

1. Adhere to equal and fair employment practices in hiring, compensation, training, professional education, advancement and governance without discrimination based on national, racial, ethnic or religious identity.
2. Identify underrepresented employee groups and initiate active recruitment efforts to increase the number of underrepresented employees.
3. Develop training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.
4. Maintain a work environment that is respectful of all national, racial, ethnic and religious groups.
5. Ensure that layoff, recall and termination procedures do not favor a particular national, racial, ethnic or religious group.
6. Not make military service a precondition or qualification for employment for any position, other than those positions that specifically require such experience, for the fulfillment of an employee's particular responsibilities.
7. Not accept subsidies, tax incentives or other benefits that lead to the direct advantage of one national, racial, ethnic or religious group over another.
8. Appoint staff to monitor, oversee, set timetables, and publicly report on their progress in implementing the Holy Land Principles.

RESOLVED: Shareholders request the Board of Directors to: Make all possible lawful efforts to implement and/or increase activity on each of the eight Holy Land Principles.

Supporting Statement: The proponent believes that ALPHABET benefits by hiring from the widest available talent pool. An employee's ability to do the job should be the primary consideration in hiring and promotion decisions.

Implementation of the Holy Land Principles -- which are pro-Jewish, pro-Palestinian and pro-company -- will demonstrate concern for human rights and equality of opportunity in its international operations.

Please vote your proxy FOR these concerns.

### Human Rights Risk Assessment

#### Newmont Mining Corporation

RESOLVED, that shareholders of Newmont Mining Corporation (“Newmont”) urge the Board of Directors to report to shareholders, at reasonable cost and omitting proprietary information, on Newmont’s process for comprehensively identifying and analyzing potential and actual human rights risks of Newmont’s entire operations and supply chain (a “human rights risk assessment”) addressing the following:

- Human rights principles used to frame the assessment;
- Methodology used to track and measure performance, including key performance indicators;
- Nature and extent of consultation with relevant stakeholders in connection with the assessment; and
- Actual and/or potential human rights risks identified in the course of the human rights risk assessment (or a statement that no such risks have been identified).

The report should be made available to shareholders on Newmont’s website no later than May 1, 2018.

Supporting Statement: As long-term stockholders, we favor policies and practices that protect and enhance the value of our investments. There is increasing recognition that company risks related to human rights violations, such as reputational damage, project delays and disruptions, and litigation, can adversely affect shareholder value.

To manage such risks effectively, companies must assess the risks to shareholder value posed by human rights practices in their operations and supply chain. The United Nations Guiding Principles on Business and Human Rights urge that “business enterprises should carry out human rights due diligence.” ([http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf))

Newmont’s business model exposes the company to significant human rights risks. The importance of adequate human rights due diligence to manage that risk effectively is highlighted by Newmont’s operations in Peru. Newmont commissioned an evaluation of compliance with international human rights standards in Peru, where Newmont and its majority-owned subsidiary Minera Yanacocha are engaged in a conflict with a local family over access to and use of land. ([http://www.resolv.org/site-yiffm/files/2015/08/YIFFMreport\\_280916-Final.pdf](http://www.resolv.org/site-yiffm/files/2015/08/YIFFMreport_280916-Final.pdf))

That evaluation found:

- “material gaps in conformance to the Voluntary Principles [on Security and Human Rights]” [NB: Newmont has committed to the Principles, which provide a framework for companies to maintain the security of their operations while ensuring respect for human rights.]
- “Minera Yanacocha’s failure to conduct adequate human rights due diligence is one factor that has contributed to a situation where the human rights of the family have been at risk from the outset of the land dispute and have continued to be put at risk as the conflict has unfolded.”

Newmont states that its “actions and philosophies with regard to human rights . . . reflect the United Nations’ (UN) Guiding Principles on Business and Human Rights due diligence processes.” (Sustainability and Stakeholder Engagement Policy, at 2 [http://s1.q4cdn.com/259923520/files/doc\\_downloads/newmont\\_policies/Policy\\_Sustainability-Stakeholder\\_Engagement\\_28Apr2014.pdf](http://s1.q4cdn.com/259923520/files/doc_downloads/newmont_policies/Policy_Sustainability-Stakeholder_Engagement_28Apr2014.pdf)) Our proposal asks, then, that Newmont provide shareholders with information about how it is meeting that commitment.

We urge shareholders to vote for this proposal.

### Human Rights Risk Assessment

Kroger Co.

*A similar resolution was submitted to Restaurant Brands International.*

RESOLVED, that shareholders of The Kroger Company (“Kroger”) urge the Board of Directors to report to shareholders, at reasonable cost and omitting proprietary information, on Kroger’s process for identifying and analyzing potential and actual human rights risks of Kroger’s operations and supply chain (referred to herein as a “human rights risk assessment”) addressing the following:

- Human rights principles used to frame the assessment
- Frequency of assessment
- Methodology used to track and measure performance
- Nature and extent of consultation with relevant stakeholders in connection with the assessment
- How the results of the assessment are incorporated into company policies and decision making

The report should be made available to shareholders on Kroger’s website no later than October 31, 2017.

Supporting Statement: There is increasing recognition that company risks related to human rights violations, such as litigation, reputational damage, and project delays and disruptions, can adversely affect shareholder value.

Kroger, like many other companies, has adopted a supplier code of conduct (See The Kroger Company Standard Vendor Agreement) but has yet to publish a company-wide Human Rights Policy, addressing human rights issues and a separate human rights code that applies to its suppliers. Adoption of these principles would be an important first step in effectively managing human rights risks. Companies must then assess risks to shareholder value of human rights practices in their operations and supply chains to translate principles into protective practices.

The importance of human rights risk assessment is reflected in the United Nations Guiding Principles on Business and Human Rights (the “Ruggie Principles”) approved by the UN Human Rights Council in 2011. The Ruggie Principles urge that “business enterprises should carry out human rights due diligence ... assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.” (<http://www.businesshumanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>)

Kroger’s business exposes it to significant human rights risks. While over 90% of Kroger’s business is food its vendor Code of Conduct is based heavily on compliance with the law, and U.S. agricultural workers are excluded from many labor laws that apply to other U.S. workers. The company’s supply chain is complex and global and violations of human rights in Kroger’s supply chain can lead to negative publicity, public protests, and a loss of consumer confidence that can have a negative impact on shareholder value.

A proactive Human Rights Risk Assessment regimen has the potential to prevent Kroger from being implicated in the exploitation of workers such as occurred when Kroger supplier Tomato Thyme was assessed a civil fine of \$1.4 million by the U.S. Department of Labor for violations of the Fair Labor Standards Act, Migrant and Seasonal Agricultural Worker Protection Act and H-2A temporary agricultural program.

We urge shareholders to vote for this proposal.



### Ethical Labor Recruitment

#### Xerox Corporation

*A similar resolution was submitted to Motorola Solutions Inc.*

WHEREAS, the 2016 Global Slavery Index estimates that 45.8 million people are in some form of modern slavery in 167 countries. According to the UN Guiding Principles on Business and Human Rights, companies have the 'corporate responsibility' to respect human rights within their operations and supply chains. As a multinational company dependent upon extended supply chains in many countries, Xerox Corporation must assess if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

There is growing awareness of the role of unscrupulous labor recruiters in exploiting workers and job seekers through charging fees, withholding personal papers/passports and failing to provide written contracts spelling out the terms of employment. Failure to put proactive policies and procedures in place exposes a company to significant risks, including legal action and media reports that negatively impact reputation.

The electronics industry has come under increased scrutiny for labor abuses in factories including the exploitation of migrant workers who have paid fees to obtain employment. According to a study funded by the U.S. Department of Labor, "92% of the migrant workers in Malaysia's electronics industry had paid recruitment fees and that 92% of that group had paid fees that exceeded legal or industry standards."

In its June 2016 ICT Benchmark Findings Report, Know The Chain found that only four of 20 publicly traded companies reviewed demonstrated awareness of the risks of forced labor that can arise from the use of recruitment agencies. Based on this finding, unethical recruitment of migrant labor is a serious risk for the entire sector. Xerox Corporation was not included in the report.

The State of California and the United Kingdom have passed laws requiring companies to report on what they are doing to eradicate human trafficking and slavery. U.S. federal contractors are currently required to put in place compliance programs for their extended supply chains to assess and address any abuses associated with charging workers' recruitment fees.

Xerox Corporation is a government contractor, has adopted the Electronic Industry Citizen Coalition Code of Conduct as its supplier code, which includes policies on ethical recruitment. The company describes its process for implementing its Supplier Code of Conduct and Xerox conducted 31 audits and 41 compliance reviews of suppliers in 2014. No further information is provided on audit results or whether violations of its ethical recruitment policy were found. Investors have insufficient information to gauge how well the company is addressing this serious risk to workers and to the company.

RESOLVED, Shareholders request that by December 2017, the Company begin publishing, at reasonable cost and excluding proprietary information, an annual report disclosing specific remedial efforts taken to ensure that its global supply chain is free of forced or bonded labor, including any efforts to reimburse workers for recruitment fees that were paid in violation of the Company's policies.

### Assess Human Trafficking/Forced Labor in Supply Chain

#### XPO Logistics

WHEREAS: Human trafficking is the act of recruiting, harboring, transporting, providing, or obtaining a person for compelled labor or commercial sex acts through the use of force, fraud, or coercion. The U.S. Department of State has emphasized the importance of training for individuals who may encounter victims of human trafficking, and the transportation industry is particularly well-placed to identify trafficking victims.

According to the International Labor Organization's most recent global estimate, there are at least 20.9 million victims of forced labor, trafficking, and slavery in the world today; globally, 2.4 million people are victims of trafficking at any given time. In the United States, over 100,000 children each year are at risk of being exploited by human trafficking.

Trafficking victims are often hidden in plain view at construction sites, restaurants, agricultural fields, and highway rest or truck stops. The trucking industry has the potential to play a vital role in identifying and assisting these victims. Since its creation, the National Human Trafficking Resource Center (NHTRC) has identified over 20,000 victims, and more than 1,100 reports have been from callers who self-identified as truckers.

Failure to address the risks of human trafficking in its operations places XPO Logistics behind its peers. Other companies in the trucking industry, such as Ryder, CR England, J.B. Hunt, Werner and Landstar, address the issue through training for drivers, publically partnering with organizations like Truckers Against Trafficking and providing resources to combat human trafficking. XPO's publicly available reporting does not indicate any such efforts.

We believe a company associated with incidents of human trafficking or child sex exploitation could suffer substantial negative financial impacts, as well as loss of reputation and adverse publicity.

We believe commercial advantages may accrue to the company by addressing the issue of trafficking through promoting training and programs to combat trafficking.

RESOLVED: The shareholders request that the Board of Directors of XPO Logistics prepare a report on the implementation of a program to address human trafficking internally and in its supply chain, at reasonable cost and omitting proprietary/confidential information, and provide the report to shareholders by October 1, 2017.

Supporting Statement: We believe the report should be comprehensive, transparent, and verifiable. We request that it address the following:

- A statement of company policy on human trafficking,
- An overview of employee and customer awareness, education and training on the issue of human trafficking,
- A plan for communicating information to customers,
- Methods of informing truckers of "key persons" at any destination who can address the issue, and
- Annually publish a progress report prepared.



### Diversity/Inclusiveness

Responsible investors consider workplace diversity to be a core component of sound governance policy. In a complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experiences is critical to informed decision-making. Studies show a more diverse board increases the likelihood a company will make the right strategic and operational decisions, and will catalyze efforts to recruit, retain, and promote the best people, including women and minorities. Filings addressing inclusiveness are up noticeably this year, with 46 resolutions versus last year's 29, due to a new crop of workplace diversity and gender pay gap filings.

#### Board Diversity

A number of ICCR members are a part of the Thirty Percent Coalition, a national organization committed to helping women achieve 30 percent of board seats in publicly-traded corporations. The Coalition works on the demand side of board diversity, and seeks to influence corporations to strengthen their efforts to increase the number of women on their boards.

Investors sent 16 board diversity resolutions to companies this year, including Tyson Foods, CVS Health, Costco, Johnson & Johnson, and Whole Foods, asking them to ensure that women as well as minority candidates are routinely sought as part of each board search, and to expand director searches to include nominees beyond the executive suite. Apple was asked to adopt an "accelerated recruitment policy" while Costco was asked to increase the diversity of its board so that it more closely aligns with the population demographics of Costco customers.

Proposal Topic	Quantity
<b>Diversity/Inclusiveness</b>	<b>46</b>
Board Diversity	16
Equal Employment Opportunity (EEO)	2
Executive Pay: Incorporate Diversity Metrics	1
Fair Compensation Report	1
Gender Pay Gap <b>NEW</b>	8
Non-Discrimination Policies in States with Discriminatory Laws <b>NEW</b>	1
Proxy Voting Policies – LGBT Issues <b>NEW</b>	1
Sexual Orientation & Gender Identity/Expression Non-Discrimination	7
Workplace Diversity	9

#### **NEW** Non-Discrimination Policies in States with Discriminatory Laws

2016 saw a number of legislative attacks on LGBT rights, including North Carolina's divisive "bathroom bill". Corporate America has been increasingly vocal in its opposition to this type of legislation, with executives from companies such as Apple, Intel, Google, Microsoft, EMC, PayPal, and Whole Foods Market calling for a repeal of certain state pro-discrimination policies.

Western Union has employees in Colorado, Florida, and Nebraska — states that have recently proposed or established policies attacking LGBT rights and equality. Shareholders asked the company to report on the potential risks and costs it may face as a result of operating in states with policies supporting discrimination against LGBT people. It was also asked to disclose its strategies for defending its LGBT employees against discrimination and harassment encouraged or enabled by the policies.



“It has become increasingly evident that companies with more diverse workforces perform better financially. However, in an analysis of financial services companies we found insufficient data and disclosure results of diversity initiatives. Without this information shareholders can-

not determine if a company has a diverse workforce or has been successful in expanding diversity into senior roles. In light of this we have filed shareholder proposals with Aflac, First Republic Bank, Jones Lang LaSalle, PNC Financial Services, Travelers Companies, T. Rowe Price, Fifth Third Bank, and Visa asking these companies to prepare a diversity report that includes workforce data and a description of policies/programs focused on increasing gender and racial diversity in the workplace. We believe that metrics, goals and a clear description of policies are key to demonstrating a company’s commitment to diversity.

Expanding workforce diversity may also help close the gender wage gap. McKinsey estimates that closing the gender wage gap could add as much as \$4.3 trillion to the annual GDP by 2025. A company’s family leave policies and the availability of on-site child-care are just a few policies that may significantly impact women’s ability to rise to higher productivity roles and therefore perpetuate a gender wage gap. By disclosing workforce data and establishing a clear diversity strategy investors will be able to assess a company’s performance on workforce diversity.”

**Brianna Murphy, Vice President, Shareholder Advocacy  
– Trillium Asset Management**



### **NEW** Gender Pay Gap

The median income for women working full time in the U.S. is reported to be 79 percent of that of their male counterparts, a financial penalty of nearly half a million dollars over the course of a career. The gap for African American and Latina women is even wider, at 60 percent and 55 percent respectively. At the current rate, women are not expected to reach pay parity until 2059.

Investors filed 8 resolutions, asking American Express, TJX and others to report on their policies and goals for identifying and reducing inequities in compensation due to gender, race, or ethnicity within their workforces.

### **NEW** Proxy Voting Policies – LGBT Issues

Since 1995 members of ICCR have encouraged American corporations to broaden their equal employment policies to extend equal protection to LGBT workers, filing nearly 250 shareholder resolutions, and reaching agreements in more than half of all instances. While BlackRock's EEO policy explicitly prohibits discrimination based on sexual orientation and gender identity, over the past few years funds managed by BlackRock voted against all shareholder resolutions requesting companies add sexual orientation and gender identity to their corporate equal employment opportunity policies.

Shareholders asked the company to assess inconsistencies between its proxy voting record and its own company-wide guidelines, and discuss measures the company can adopt to reduce any inconsistencies.



### **Executive Pay: Incorporate Diversity Metrics**

In recent years, investors have sought to tie a company's progress towards successfully diversifying its senior executives in terms of gender, race, and ethnicity to annual and/or long-term incentive plans.

Investors once again asked TJX to include company progress towards increasing diversity among its senior executives as a performance metric when setting CEO compensation.



### Fair Compensation Report

#### Colgate-Palmolive Company

WHEREAS: The median income for women working full time in the U.S. is reported to be 79 percent of that of their male counterparts. At the current rate, women will not reach pay parity until 2059.

Average hourly wages for black men are 78 percent of those received by similarly situated white men. Wages for black women are 66 percent of those of comparable white men and 88 percent of those received by white female counterparts (Economic Policy Institute).

These stubborn pay gaps have attracted national media coverage and attention from policymakers.

Regulatory risk exists as the Paycheck Fairness Act, pending in Congress, aims to improve company-level transparency and strengthen penalties for equal pay violations. California and Massachusetts have passed some of the strongest equal pay legislation to date.

Federal contractors are now required to report pay data by gender, race, and ethnicity, and the Equal Employment Opportunity Commission (EEOC) has proposed rules requiring wage gap reporting.

In 2014, Gap Inc released data showing wage parity between male and female workers. Adobe, Amazon, Apple, eBay, Expedia, Intel, and Microsoft have committed to report on gender pay gaps in the past year. Intel and Microsoft have published pay gap data covering gender and race/ethnicity.

According to McKinsey, "companies in the top quartile for gender diversity were 15 percent more likely to have financial returns that were above their national industry median, and...companies in the top quartile for racial/ethnic diversity were 35 percent more likely to have financial returns above their national industry median."

In a Catalyst study, racial diversity and gender diversity were positively associated with more customers, increased sales revenue, and greater relative profits.

At Colgate-Palmolive (CL), 35 percent of managers worldwide are women, compared with 45 percent at peer company Unilever. CL states that it complies with laws and regulations on fair pay practices. However, our Company does not report on gender, race, or ethnic pay gaps.

Investors seek clarity on how CL manages the risks and opportunities of diversity as related to equitable pay.

RESOLVED: Shareholders request that CL prepare a report (at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information) on the Company's policies and goals to identify and reduce inequities in compensation due to gender, race, or ethnicity within its workforce. Gender-, race-, or ethnicity-based inequities are defined as the difference, expressed as a percentage, between the earnings of each demographic group.

Supporting Statement: A report adequate for investors to assess strategy and performance would include: (1) an aggregated, anonymized chart of EEO-1 data identifying employees according to gender and race in the major EEOC-defined job categories, listing numbers or percentages in each category; (2) the percentage pay gap between groups (using a similar chart or square matrix); (3) discussion of policies addressing any gaps and quantitative reduction targets; and (4) the methodology used to identify pay inequities, omitting proprietary information.

### Gender Pay Gap

NEW

American Express Co.

*Similar resolutions were submitted to AT&T, Bank of New York Mellon, Goldman Sachs Group, MasterCard, Qualcomm, Verizon Communications*

WHEREAS: The median income for women working full time in the United States is reported to be 79 percent of that of their male counterparts. This 10,800 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is wider at 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059.

A 2016 Glassdoor study finds an unexplained 6.4 percent gender pay gap in the financial services industry after statistical controls, among the highest of industries examined.

Women make up over half of entry level positions in finance, yet a 2016 Oliver Wyman study finds it will take until 2048 to reach 30 percent female executive committee representation. Mercer finds female executives are 20 to 30 percent more likely to leave financial services careers than other careers.

At American Express, approximately 57 percent of our U.S. employees are women, but women account for only 30 percent of leadership.

A large body of evidence suggests diversity in leadership leads to better performance. McKinsey & Company states, “the business case for the advancement and promotion of women is compelling” and has found companies with highly diverse executive teams boasted higher returns on equity, earnings performance, and stock price growth. Best practices to address this under-leveraged opportunity include “tracking and eliminating gender pay gaps.”

Mercer finds actively managing pay equity “is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation.”

Regulatory risk exists as the Paycheck Fairness Act pends before Congress. The Equal Employment Opportunity Commission has proposed rules requiring wage gap reporting. California, Massachusetts, New York, and Maryland have passed some of the strongest equal pay legislation to date.

The Wall Street Journal reports, “Research attributes salary inequalities to several factors—from outright bias to women failing to ask for raises.” A Harvard University economist concluded the gap stems from women making less in the same jobs. As much as 40 percent of the wage gap may be attributed to discrimination.

S&P 500 companies including Intel, Apple, Expedia, and eBay have publically reported and committed to gender pay equity.

RESOLVED: Shareholders request American Express prepare a report by October 2017 (omitting proprietary information, prepared at reasonable cost) on the Company’s policies and goals to reduce the gender pay gap.

The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings (Organization for Economic Cooperation and Development).

Supporting Statement: A report adequate for investors to assess American Express’s strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.

### Gender Pay Gap

**NEW**

TJX Companies, Inc.

WHEREAS: The median income for women working full time in the U.S. is reported to be 79 percent of that of their male counterparts. According to the Economic Policy Institute, average hourly wages for black men are 78 percent of those of similarly situated white men. Wages for black women are 66 percent of those of comparable white men and 88 percent of those received by white women.

Fair compensation is important for retailers. Women hold just over one half of retail industry positions, but women are underrepresented in higher paying retail management positions and overrepresented in low paying front line jobs. According to Demos, "retail employers pay Black and Latino full-time retail salespersons just 75 percent of the wages of their white peers."

Stubborn pay gaps have attracted attention from national media and policymakers.

Regulatory risk exists as the Paycheck Fairness Act, pending in Congress, aims to improve company-level transparency and strengthen penalties for equal pay violations. California and Massachusetts have passed some of the strongest equal pay legislation to date.

Federal contractors are now required to report pay data by gender, race, and ethnicity, and the Equal Employment Opportunity Commission (EEOC) has proposed rules requiring wage gap reporting.

In 2014, Gap Inc released data showing wage parity between male and female workers. Adobe, Amazon, Apple, eBay, Expedia, Intel, and Microsoft have committed to report on gender pay gaps. Intel and Microsoft published pay gap data covering gender and race/ethnicity.

According to McKinsey, companies in the top quartiles for gender and racial/ethnic diversity were more likely to have financial returns above the industry median. In a Catalyst study, racial diversity and gender diversity were positively associated with more customers, increased sales revenue, and greater relative profits.

TJX reports people of color account for 55 percent of the Company's U.S. workforce but only 32 percent of its managers. TJX has taken steps to promote diversity; however, there is no reporting on gender, race, or ethnic pay gaps.

Investors seek clarity on how TJX manages risks and opportunities related to pay equity.

RESOLVED: Shareholders request that TJX prepare a report (at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information) on the Company's policies and goals to identify and reduce inequities in compensation due to gender, race, or ethnicity within its workforce. Gender-, race-, or ethnicity-based inequities are defined as the difference, expressed as a percentage, between the earnings of each demographic group.

Supporting Statement: A report adequate for investors to assess strategy and performance would include: (1) an aggregated, anonymized chart of EEO-1 data identifying employees according to gender and race in the major EEOC-defined job categories, listing numbers or percentages in each category; (2) the percentage pay gap between groups (using a similar chart or square matrix); (3) discussion of policies addressing any gaps and quantitative reduction targets; and (4) the methodology used to identify pay inequities, omitting proprietary information.



### Workplace Diversity

AFLAC Inc.

*A similar resolution was submitted to Travelers Companies, Inc.*

WHEREAS: A McKinsey & Company report found companies with highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity.

Aflac states that “Our nation’s demographics are changing, and Aflac is reaching out to increasingly diverse accounts, customers and communities. After all, if we want these individuals and groups to do business with Aflac, we must also do business with them.”

However, Aflac does not disclose workforce data, or disclose results of diversity initiatives. As a result, shareholders have insufficient information to determine if Aflac has a diverse workforce or has been successful in expanding diversity into senior roles.

Leading insurance companies such as MetLife and Allstate Corporation provide details of diversity programs and policies, and disclose workforce statistics consistent with data provided to the Equal Employment Opportunity Commission (EEOC).

Other financial services firms have begun acknowledging the lack of gender diversity in senior roles and in August, 2016 seven global asset managers including Blackrock, Capital Group, and Fidelity, shared diversity statistics which show, on average, that women represent nearly one-half of their workforce but represent just one-quarter of senior staff.

Research from Mercer confirms that improving gender diversity will require greater attention to closing the gender pay gap. Owing to the widespread and general concern about gender and racial wage disparities the EEOC has recently finalized a new rule to stem wage discrimination by collecting pay data by gender, race and ethnicity in a dozen job categories.

Expanding workforce diversity and closing the wage gap also requires policies and programs that attract and retain diversity in the workplace. A company’s family leave policies, for example, can play a role. McKinsey & Company reports that paid parental leave and the availability of on-site child care can significantly impact women’s ability to rise to higher productivity roles and therefore perpetuate a gender wage gap. The best performing companies on gender diversity have implemented gender neutral policies that improve the workplace for both men and women, according to McKinsey.

Diversity benchmarks can help ensure companies hiring hundreds of financial professionals, such as Aflac, create competitive workforces. Companies that are publicly accountable to diversity goals are most likely to make rapid progress toward achieving their goals.

RESOLVED: Shareholders request that Aflac prepare a diversity report, at a reasonable cost and omitting confidential information, available to investors including:

1. A chart identifying employees according to gender and race in major EEOC-defined job categories, listing numbers or percentages in each category;
2. A description of policies/programs focused on increasing gender and racial diversity in the workplace.

Supporting Statement: A report adequate for investors to assess strategy and performance can include a review of appropriate time-bound benchmarks for judging current and future progress, and details of policies and practices designed to reduce unconscious bias in hiring and to build mentorship.

### Workplace Diversity

Visa Inc.

*A similar resolution was submitted to F5 Networks, Inc.*

WHEREAS: McKinsey & Company found companies with highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity, and a May 2014 study found gender diverse teams were better at driving “radical innovation”.

Visa states that “embracing diversity and supporting those who are underrepresented has become much more than a conversation about doing the right thing. Today [it] has become a business imperative and the companies who get that are winning in the market.”

Despite acknowledging the societal and business benefits of a diverse workplace, however, Visa does not disclose workforce data, or share results of its diversity initiatives. Shareholders have insufficient information to determine if the company has a diverse workforce or is working to achieving greater diversity in its recruitment and hiring of employees.

The lack of diversity among high tech workers is a central public policy concern according to the U.S. Equal Employment Opportunity Commission. In 2014, the Commission reported that the high-tech sector employed a larger share of whites, Asian Americans, and men, and a smaller share of African-Americans, Hispanics and women than the “overall private industry”.

According to a 2014 report conducted by the Computing Research Association, “[t]op universities turn out black and Hispanic computer science and computer engineering graduates at twice the rate that leading technology companies hire them.”

Many sector peers provide EEO-1 data while acknowledging the problem and their own lack of progress toward achieving greater diversity.

Leading tech firms such as Intel, are disclosing EEO-1 data and setting diversity goals. The company set a public, time-bound goal for hiring women and underrepresented minorities and tied a portion of every employee’s 2015 variable compensation to achieving its diversity goal. In August, 2015 Intel reported that it exceeded its target of 40 percent hires of women, blacks, Hispanics and Native Americans in the first six months of the year.

Further, more than two dozen startups and venture capital firms, motivated by the efforts of Kapor Capital, have begun sharing strategies and setting diversity and inclusion metrics.

In a recent analysis of company diversity policies, programs and performance, Visa ranked 10% and 20% below its peers Mastercard and Citigroup, respectively, on a scale of 1 to 100. (Calvert Investments, A Survey of Corporate Diversity Practices of the S&P 100, March 2015)

Visa states it is undergoing an aggressive hiring process with the goal of creating 2000 new full-time technologists positions. Developing appropriate practices and diversity and inclusion benchmarks can ensure that the company creates the workforce it needs to compete successfully in the marketplace. Companies that are publicly accountable to diversity goals are most likely to be companies making rapid progress toward achieving their goals.

RESOLVED: Shareholders request that Visa prepare a diversity report, at reasonable cost and omitting confidential information, available to investors including the following:

1. A chart identifying employees according to gender and race in the major EEOC-defined job categories, listing numbers or percentages in each category;
2. A description of policies/programs focused on increasing diversity in the workplace.

Supporting Statement: A report adequate for investors to assess Visa’s strategy and performance would include a review of appropriate benchmarks for judging current and future progress, and details of policies and practices designed to reduce unconscious bias in hiring of staff and to build mentorship among staff of color.

### Workplace Diversity

#### Fifth Third Bancorp

*Similar resolutions were submitted to First Republic Bank, Jones Lang LaSalle Incorporated, PNC Financial Services Group, Inc., T. Rowe Price Associates, Inc.*

WHEREAS: A McKinsey & Company report found companies with highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity.

Fifth Third Bancorp states that “Engagement, diversity and inclusion are among the reasons people want to work here; we’re focused and intentional in making Fifth Third Bank a place where people can build their future, win together and impact lives.”

However, Fifth Third Bancorp does not disclose workforce data, or disclose results of diversity initiatives. As a result, shareholders have insufficient information to determine if Fifth Third Bancorp has a diverse workforce or has been successful in expanding diversity into senior roles.

Leading financial services firms such as Wells Fargo, JP Morgan, and Bank of New York Mellon provide details of diversity programs and policies, and disclose workforce statistics consistent with data provided to the Equal Employment Opportunity Commission (EEOC).

Asset management firms have begun acknowledging the lack of gender diversity in senior roles and in August, 2016 seven global asset managers including Blackrock, Capital Group, and Fidelity, shared diversity statistics which show, on average, that women represent nearly one-half of their workforce but represent just one-quarter of senior staff.

Research from Mercer confirms that improving gender diversity will require greater attention to closing the gender pay gap. Owing to the widespread and general concern about gender and racial wage disparities the EEOC has recently finalized a new rule to stem wage discrimination by collecting pay data by gender, race and ethnicity in a dozen job categories.

Expanding workforce diversity and closing the wage gap also requires policies and programs that attract and retain diversity in the workplace. A company’s family leave policies, for example, can play a role. McKinsey & Company reports that paid parental leave and the availability of on-site child care can significantly impact women’s ability to rise to higher productivity roles and therefore perpetuate a gender wage gap. The best performing companies on gender diversity have implemented gender neutral policies that improve the workplace for both men and women, according to McKinsey.

Diversity benchmarks can help ensure companies hiring hundreds of financial professionals, such as Fifth Third Bancorp, create competitive workforces. Companies that are publicly accountable to diversity goals are most likely to make rapid progress toward achieving their goals.

RESOLVED: Shareholders request that Fifth Third Bancorp prepare a diversity report, at a reasonable cost and omitting confidential information, available to investors including:

1. A chart identifying employees according to gender and race in major EEOC-defined job categories, listing numbers or percentages in each category;
2. A description of policies/programs focused on increasing gender and racial diversity in the workplace.

Supporting Statement: A report adequate for investors to assess strategy and performance can include a review of appropriate time-bound benchmarks for judging current and future progress, and details of policies and practices designed to reduce unconscious bias in hiring and to build mentorship.

### Executive Pay: Incorporate Diversity Metrics

TJX Companies, Inc.

WHEREAS: In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success;

McKinsey & Company research shows that gender diverse companies are 15% more likely to outperform while ethnically diverse companies were 35% more likely to outperform non-diverse firms;

McKinsey also showed that women are less likely to receive the first critical promotion to manager—so far fewer end up on the path to leadership—and they are less likely to be hired into more senior positions. In 2015, 90% of new CEOs were promoted or hired from CEO-pipeline roles, and 100% of them were men;

In December 2016, a group of 27 major companies joined the newly-launched Paradigm for Parity coalition, an organization committed to achieving gender parity across all levels of corporate leadership. Corporations that have joined are committed to having 50% women in top management roles by 2030;

Shareholders believe that it is crucial for the Company's senior management to reflect the diversity of its employees and customers. According to Forbes, TJX's customer profile is a 25 to 44 year old female customer with middle to upper-middle income, while labor force statistics indicate that 49.8% of retail employees are female and 33.1% are minorities;

Unfortunately in the past 5 years, TJX's senior management team has remained 0% minority and at most 16% female. Of the six executive officers listed on TJX's website, the one female (former CEO Carol Meyrowitz) left her full-time position with the company in 2016, leaving the executive offices filled entirely with white men. Given the primarily female customer base, this shift in the executive team is particularly alarming;

An article published on the Harvard Law School Forum on Corporate Governance and Financial Regulation indicated that management-level diversity "signals that women's and minorities' perspectives are important to the organization, and that the organization is committed to inclusion not only in principle but also in practice. Further, corporations with a commitment to diversity have access to a wider pool of talent and a broader mix of leadership skills than corporations that lack such a commitment";

Shareholders are concerned that TJX's dearth of senior management diversity may be adversely affecting shareholder value and believe that adding diversity in senior level management as a clear metric in our CEO's compensation package creates an incentive to strive for excellence in this area just as our financial metrics incent performance.

RESOLVED: Shareholders request that the Board's Compensation Committee, when setting CEO compensation, include metrics regarding diversity among senior executives as one of the performance measures for the CEO under the Company's annual and/or longterm incentive plans. For the purposes of this proposal, "diversity" is defined as gender, racial, and ethnic diversity.

### Equal Employment Opportunity (EEO)

Omnicom Group Inc.

RESOLVED: Shareholders request that Omnicom Group (“Omnicom”) provide a report to shareholders, beginning in 2017, at reasonable cost and omitting confidential information, including:

1. A comprehensive breakdown of its workforce by race and gender according to the Equal Employment Opportunity Commission (EEOC) defined job categories (the EEO-1 Report);
2. A description of policies and programs enacted to increase the number of minority and female employees in job categories where they are underutilized, including middle and senior level manager positions.

Supporting Statement: Despite federal and state laws forbidding employment discrimination on the basis of race, allegations of racial discrimination persist; and in recent years, a number of companies have agreed to pay millions of dollars to settle allegations of racial discrimination.

The advertising industry, of which Omnicom is a part, is characterized by the persistent and pervasive underrepresentation of minorities, particularly in senior positions. In 2016, senior leadership at two industry peers stepped down amidst controversies related to gender or racial discrimination. A recent study entitled, “Research Perspectives on Race and Employment in the Advertising Industry” (Bendick and Egan Economic Consultants, Inc. 2009), found that:

- Racial disparity is 38% worse in the advertising industry than in the overall U.S. labor market;
- The “discrimination divide” between advertising and other U.S. industries is more than twice as wide as it was 30 years ago;
- Black college graduates working in advertising earn 80 cents for every dollar earned by their equally-qualified White counterparts; and
- About 16% of large advertising firms employ no Black managers or professionals, a rate 60% higher than in the overall labor market.

Numerous studies have found that workplace diversity provides a competitive advantage by generating diverse, valuable perspectives, creativity and innovation, increased productivity and morale, while eliminating the limitations of “groupthink.”

Omnicom’s current disclosure is helpful but inadequate. Its report that “multicultural professionals make up 18% of U.S. managers” in 2015 does not distinguish between those at the mid- and senior-level managerial positions or account for any distribution across race and gender. Similar data is presented for “professionals and managers.”

Federal law already requires companies with 100 or more employees to annually submit an EEO-1 Report to the EEOC.

Recently, technology companies have faced scrutiny about inadequate workforce diversity. Many responded by publicly disclosing EEO-1 data, including Apple, Cisco Systems, Google, Intel, Microsoft, and Yahoo.

Disclosure of Omnicom’s EEO-1 data would allow shareholders to benchmark and evaluate the effectiveness of its efforts to increase the diversity of its workforce throughout its ranks.

In addition, we believe improved disclosure would encourage management and the Board to pursue continuous improvements in the company’s diversity programs, fully integrate diversity into its culture and practices, and strengthen its reputation and accountability to shareholders.

Omnicom is also encouraged to provide additional context, as appropriate, and to describe the challenges it faces in moving forward to achieve its diversity plans and goals.

### Equal Employment Opportunity (EEO)

Home Depot, Inc.

WHEREAS: Equal employment opportunity (EEO) is a fair employment practice and an investment issue. We believe companies with good EEO records have a competitive advantage in recruiting/retaining employees. We believe Home Depot customers are increasingly diverse. A diverse work force is more likely to anticipate and respond effectively to consumer demand.

EEO practices have economic relevance. Home Depot annually files an EEO-1 report with the Equal Employment Opportunity Commission. This information could be made available to shareholders at a minimal additional cost. In 2001, Home Depot provided EEO information to investors upon request. Since then, Home Depot reversed policy on disclosure of this information.

Allegations of discrimination in the workplace burden shareholders with costly litigation/fines which can damage a company's reputation.

Home Depot paid out more than \$100 million to settle discrimination lawsuits in the past 17 years. The most costly EEOC settlement was \$87 million in 1997. In 2004, Home Depot agreed to pay \$5.5 million to settle charges of class-wide gender, race and national origin discrimination at 30 Colorado stores.

In 2015, Home Depot settled a gender discrimination lawsuit for \$83,400. It was alleged that women who were qualified for sales positions were relegated to cashiers jobs instead, even though they met criteria to hold sales jobs.

In 2016, Judge David Carter signed off on a \$3 million Home Depot class action lawsuit settlement which will end allegations that Home Depot violated the Fair Credit Reporting Act (FCRA) by using improper background check forms on job applications. Home Depot agreed to use only the background check form that complies with FCRA.

RESOLVED: Shareholders request that Home Depot prepare a diversity report, at reasonable cost and omitting confidential information, available to investors by September 2017, including the following:

1. A chart identifying employees according to their gender and race in each of the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category;
2. A summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized;
3. A description of policies/programs oriented toward increasing diversity in the workplace.

Supporting Statement: In 2015, the U.S. Equal Employment Opportunity Commission reported racial minorities comprised 37.2 percent of the private industry workforce, but just 14.01 percent of executives and managers. Likewise, women represented 47.85 percent of the workforce, but just 29.73 percent of executives and managers.

We agree with a recommendation of the 1995 bipartisan Glass Ceiling Commission that "public disclosure of diversity data—specifically data on the most senior positions—is an effective incentive to develop and maintain innovative, effective programs to break the glass ceiling barriers." Home Depot has demonstrated leadership on many corporate social responsibility issues. We ask the company to again demonstrate leadership in diversity by committing to EEO disclosure.

### Board Diversity

Whole Foods Market, Inc.

WHEREAS: In 2014, the Whole Foods agreed to add to add the following concrete language on board diversity to its Corporate Governance Principles:

- The Company is committed to a policy of inclusiveness, and as such, in performing its responsibilities to review director candidates and recommend candidates to the Board for election, the Nominating and Governance Committee should:
- Ensure that candidates with a diversity of ethnicity and gender are included in each pool of candidates from which Board nominees are chosen;
- Seek diverse candidates by ensuring director searches include nominees from both non-executive corporate positions and non-traditional environments; and
- Review periodically the composition of the Board to ensure it reflects the knowledge, experience, skills, and diversity required for the Board to fulfill its duties.

Yet shareholders are concerned that the current composition of the Board of Directors—81% male and 81% white—reflects a divergence from this policy;

In contrast to the current race and gender makeup of the Board, according to Business Insider, Whole Foods' customer profile is a 25 to 39 year old female customer; and a 2013 study commissioned by the Private Label Manufacturers Association indicates that two-thirds of women in the U.S. reported being the sole grocery shopper for their families;

Given the growing body of research showing that companies with diverse boards outperform those lacking diversity, we are increasingly concerned that the Whole Foods board must put forth a strategy to rapidly remedy the lack of board diversity as a necessary step toward getting the business back on track.

RESOLVED: Shareholders request that the Board of Directors report to shareholders by December 2017 at reasonable expense excluding confidential information on new, specific action steps the company intends to put in place for increasing board diversity.

Supporting Statement: The proponent suggests that among the strategies the company could explore include board member diversity quotas or ratios; increasing the pool of candidates considered; engaging a search firm for each search; requiring at least two women or minority candidates in each candidate pool; and other strategies that balance candidate qualifications and diversity.

A Harvard Business Review study recently found that when a single woman or minority is included in a board search, s/he has a nearly zero chance of election, but "the odds of hiring a woman were 79.14 times greater if there were at least two women in the finalist pool." Similar results were found for minority candidates. The Proponent notes that it appears the following groups are not represented on our Board: Asian women, Native American women, Hispanic women, African American men, Native American men, or Hispanic men, among others. Because competition has increased so dramatically for our Company, it is vitally important these groups are represented on the board.

### Board Diversity

#### Continental Resources

**RESOLVED:** Shareholders request that the Board of Directors of Continental Resources adopt a policy for improving board diversity (the “Policy”) requiring that the initial list of candidates from which new management-supported director nominees are chosen (the “Initial List”) by the Nominating/Corporate Governance Committee should include (but need not be limited to) qualified women and minority candidates. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates.

**WHEREAS:** Currently, Continental Resources has no women on its board. A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and minorities on boards. A 2012 Credit Suisse Research Institute evaluated the performance of 2,360 companies globally over six years and found that companies with one or more women on their boards delivered higher average returns on equity, lower leverage, better average growth and higher price/book value multiples. A 2015 McKinsey study of 366 companies found that corporate leadership in the top quartile for racial and ethnic diversity were 35 percent more likely to have financial returns above their national industry median.

We believe that the search process used by boards can play an important role in improving board diversity. According to a 2016 study published by the Harvard Business Review, including more than one woman or member of a racial minority in a finalist pool helps to combat unconscious bias among interviewers and increases the likelihood of a diverse hire.

Increasingly, business organizations are adopting policies to implement this Policy. A 2012 NACD Blue Ribbon Commission report on Board Diversity recommended that no less than one-third of candidates for new board seats should match the board’s definition of diverse. In its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to “develop a framework for identifying appropriately diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat.” Policies like the one advanced in this Proposal have been adopted by the nominating and governance committees of Range Resources, Gentex Corporation, Costco Wholesale Corporation, Home Depot, Whole Foods Market, IDEXX Labs, Stryker Corporation and Neogen Corporation.

The proposed rule resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior football operations openings. While corporate boards may face differing circumstances, it is difficult to ignore the positive impact of the Rooney Rule on diversity. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers.



### Board Diversity

Dentsply Sirona, Inc.

*A similar resolution was submitted to Hub Group.*

WHEREAS: Dentsply Sirona does not have any women on its Board of Directors.

We believe that diversity, inclusive of gender and race, is a critical attribute of a well-functioning board and a measure of sound corporate governance.

The 2012 Credit-Suisse Research Report Gender Diversity and Corporate Performance links board diversity to better stock market and financial performance (higher return on equity, lower leverage, and higher price/book ratios). It suggests several explanations for this better performance including a stronger mix of leadership skills, improved understanding of consumer preferences, a larger candidate pool from which to pick top talent, and more attention to risk. In 2014, Credit-Suisse observed similar results. Additionally, numerous studies suggest a critical mass of at least three women directors strengthens corporate governance.

SEC Chair White in a 2016 keynote address articulated the benefits of diversity to investors. “As a former member of a public company board and its audit committee, I have seen first-hand what the research is telling us – boards with diverse members function better and are correlated with better company performance. This is precisely why investors have – and should have – an interest in diversity disclosure about board members and nominees.”

A 2014 PwC survey of investors representing more than \$11 trillion in assets observed that “Nine out of 10 investors believe boards should be revisiting their director diversity policies, and 85% believe doing so will require addressing underlying impediments...” This is consistent with growing investor engagement on board diversity, as evidenced by state and city pension funds from California, Connecticut, New York City and New York State.

Moreover, Rhode Island and Massachusetts pension funds announced that they will vote against all director nominees sitting on boards with less than 30% and 25% women or underrepresented minority directors, respectively.

CEOs, through the Business Roundtable’s 2016 Principles of Corporate Governance, identified board diversity as a driver of long-term economic value and called for women and/or minority candidates to be considered for each open board seat.

Dentsply Sirona lags peers with respect to the representation of women on its Board. Hologic and Edwards Lifesciences have four and two women on their Boards, respectively.

Moreover, the representation of women on corporate boards of S&P1500 companies has changed little in the last two years. Women hold 16.3% of directorships, less than a percentage point above 2014 levels. Women of color hold approximately 2.4% of directorships in 2014, unchanged since 2010 (2016 ISS Board Practice Study).

RESOLVED: Shareholders request that the Board of Directors prepare a report by December 2017, at reasonable expense and omitting proprietary information, on steps Dentsply Sirona is taking to foster greater diversity on the Board including but not limited to:

1. Strengthening Nominating and Corporate Governance policies by embedding a commitment to diversity inclusive of gender, race, ethnicity;
2. Committing to include women and underrepresented minority candidates in every pool from which Board nominees are chosen;
3. Reporting on progress and challenges experienced.

### Board Diversity

#### Smith (A.O.) Corporation

*A similar resolution was submitted to IDEX.*

WHEREAS: A.O. Smith Company has no meaningful policy on diversity for the Board of Directors, with only a brief mention in its Nominating and Governance Committee Charter that “directors should have diverse backgrounds and expertise”;

The Proponent believes that it is crucial for the Company’s Board of Directors to reflect the diversity of its customers and product end-users;

Yet A.O. Smith Company has only 2 minorities (including the CEO) and 1 woman on the Board of Directors. In contrast, Lennox International, a residential heating and cooling company, has 3 women, including a minority woman, on its Board of Directors;

A recent article stated that “a diverse board signals that women’s and minorities’ perspectives are important to the organization, and that the organization is committed to inclusion not only in principle but also in practice. Further, corporations with a commitment to diversity have access to a wider pool of talent and a broader mix of leadership skills than corporations that lack such a commitment”;

Women and minorities seeking a board seat face greater hurdles to success. A Harvard Business Review recently found that when a single woman or minority is included in a board search, s/he has a nearly zero chance of election, but “the odds of hiring a woman were 79.14 times greater if there were at least two women in the finalist pool.” Similar results were found for minority candidates;

Shareholders believe that firm commitment to diversity is needed to address this issue on our Board

RESOLVED: Shareholders recommend that the Board of Directors, consistent with their fiduciary duties, adopt a diversity policy in which the Board publicly commits to:

- Ensuring that women and minority candidates are routinely sought as part of each Board search;
- Expanding director searches to include nominees beyond the executive suite, from non-traditional environments such government, academia, and non-profit organizations; and
- Reviewing Board composition to ensure that the Board reflects the knowledge, experience, skills, and diversity required for the Board to fulfill its duties.

Supporting Statement: We believe that in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company’s success. Further, director and nominee diversity helps to ensure that different perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

We believe our company’s lack of board diversity policies and disclosures limit the company’s definition and understanding of diversity, and do not sufficiently address the growing investor demand and interest in this critical corporate governance matter.

In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. As such, we urge the Board to broaden its pool of candidates and publicly commit to taking steps to establish an inclusive board.

### Board Diversity

#### Badger Meter Inc.

*Similar resolutions were submitted to International Business Machines Corp. (IBM), Johnson & Johnson.*

WHEREAS: Badger Meter Inc. has no meaningful policy on diversity for the Board of Directors;

The U.S. population is currently almost 40% minority and over 50% female, however our board has 0 minorities and merely 1 woman on the board. As a company with a global workforce and increasingly diverse customer base, shareholders believe that the Company's Board of Directors must reflect the diversity of its customers, product end-users, and employees in order to protect shareholder value;

A recent article stated that "a diverse board signals that women's and minorities' perspectives are important to the organization, and that the organization is committed to inclusion not only in principle but also in practice. Further, corporations with a commitment to diversity have access to a wider pool of talent and a broader mix of leadership skills than corporations that lack such a commitment";

Yet women and minorities seeking board seats face greater hurdles. A Harvard Business Review recently found that when a single woman or minority is included in a board search, s/he has a nearly zero chance of election, but "the odds of hiring a woman were 79.14 times greater if there were at least two women in the finalist pool." Similar results were found for minority candidates;

Shareholders believe that an internal policy committing the company to diversity on the board and in recruitment of board candidates is needed to ensure that Bader Meter's Board of Directors increases its diversity.

RESOLVED: Shareholders recommend that the Board of Directors, consistent with their fiduciary duties, adopt a diversity policy in which the Board publicly commits to:

- Ensuring that women and minority candidates are routinely sought as part of each Board search;
- Expanding director searches to include nominees beyond the executive suite, from non-traditional environments such government, academia, and non-profit organizations; and
- Reviewing Board composition to ensure that the Board reflects the knowledge, experience, skills, and diversity required for the Board to fulfill its duties.

Supporting Statement: We believe that in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success. Further, director and nominee diversity helps to ensure that different perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

We believe our Company's lack of board diversity policies and disclosures limits the company's definition and understanding of diversity, and does not sufficiently address the growing investor demand and interest in this critical corporate governance matter.

In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. As such, we urge the Board to broaden its pool of candidates and publicly commit to taking steps to establish a fully inclusive board.

### Board Diversity

#### Costco Wholesale Corp.

WHEREAS: In an effort to rectify a longstanding lack of diversity on the Costco Board of Directors, Costco committed on October 5, 2015 to “ensure that candidates with a diversity of ethnicity and gender are included in each pool of candidates from which Board nominees are chosen”;

Following this commitment, the Company elected two new board members in mid and late October 2015. Despite the Company’s commitment, the Board remains 84% white men. In its refreshment process, the Company replaced the sole minority who left the Costco board of directors with a woman. Shareholders applaud the Company for adding a female director; however, the practical effect of this was a net gain of zero change in board diversity;

Shareholders are dismayed that it appears that the Company has continued to elect male acquaintances using existing members’ networks, rather than completing a search in which women and minorities are actively sought. The 2016 proxy states that “John Stanton, who was initially elected by the Board on October 29, 2015, is well known to a number of current directors, including Messrs. Brotman, Evans, Raikes, and Sinegal”;

A Harvard Business Review study recently found that when a single woman or minority is included in a board search, s/he has a nearly zero chance of election, but “the odds of hiring a woman were 79.14 times greater if there were at least two women in the finalist pool.” Similar results were found for minority candidates;

Shareholders believe that stronger action is needed to address the problem. As a model example, some countries such as Norway now require board diversification as follows:

- Two or three members, both genders must be represented.
- Four or five members, each gender must be represented by at least two members.
- Six to eight members, each gender must be represented by at least three members.
- Nine members, each gender must be represented by at least four members.
- More than nine members, each gender must be represented by at least 40% of the members of the board.

RESOLVED: Shareholders request that the Board of Directors commit to increasing the diversity of gender and race on the Board of Directors so that the composition of the Board more closely aligns with the population demographics of Costco stakeholders such as customers and employees, and report to shareholders by December 2017 at reasonable expense excluding confidential information on the new, specific action steps the company intends to put in place for increasing board diversity.

Supporting Statement: The proponent suggests that among the strategies the company could explore include board member diversity quotas or ratios; increasing the pool of candidates considered; engaging a search firm for each search; requiring at least two women or minority candidates in each candidate pool; and other strategies that balance candidate qualifications and diversity.

### Board Diversity

#### CVS Health Corp

WHEREAS: CVS Health has no meaningful policy on diversity for the Board of Directors, with only a mention of “diversity” as a listed item in its Nominating and Corporate Governance Committee charter;

A recent article stated that “a diverse board signals that women’s and minorities’ perspectives are important to the organization, and that the organization is committed to inclusion not only in principle but also in practice. Further, corporations with a commitment to diversity have access to a wider pool of talent and a broader mix of leadership skills than corporations that lack such a commitment”;

Yet women and minorities seeking board seats face greater hurdles. A Harvard Business Review recently found that when a single woman or minority is included in a board search, s/he has a nearly zero chance of election, but “the odds of hiring a woman were 79.14 times greater if there were at least two women in the finalist pool.” Similar results were found for minorities;

The U.S. population is currently almost 40% minority and over 50% female, however our board is only 27% minority and 27% female. With our global workforce and increasingly diverse customer base, shareholders believe company value would be better protected with the creation of an internal policy committing the Board to further increasing diversity on the CVS Board of Directors to reflect the diversity of its customers and employees.

RESOLVED: Shareholders recommend that the Board of Directors, consistent with their fiduciary duties, adopt a diversity policy in which the Board publicly commits to:

- Ensuring that women and minority candidates are routinely sought as part of each Board search;
- Expanding director searches to include nominees beyond the executive suite, from nontraditional environments such government, academia, and non-profit organizations; and
- Reviewing Board composition to ensure that the Board reflects the knowledge, experience, skills, and diversity required for the Board to fulfill its duties.

Supporting Statement: We believe that in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company’s success. Further, director and nominee diversity helps to ensure that different perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

We believe our Company’s lack of board diversity policies and disclosures limits the company’s definition and understanding of diversity, and does not sufficiently address the growing investor demand and interest in this critical corporate governance matter.

In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. As such, we urge the Board to broaden its pool of candidates and publicly commit to taking steps to establish a fully inclusive board.

### Board Diversity

Tyson Foods, Inc.

RESOLVED: Shareholders request that the Board of Directors prepare a report by April 1, 2018, at reasonable expense and omitting proprietary information and other information protected by privacy and other laws, on steps Tyson is taking to foster greater diversity on the Board over time, including but not limited to, the following:

1. The inclusion of women and minority candidates in every pool from which Board nominees are chosen and Tyson's plans to advance Board diversity; and
2. An assessment of challenges experienced and progress achieved.

Supporting Statement: Research has confirmed the business case for board diversity, linking it to better stock market and financial performance. As it relates to the American poultry industry, board diversity also has the potential to foster sustainable improvements in the health and welfare of workers. Board diversity brings a stronger mix of leadership skills, improved understanding of consumer preferences, reduced reputational harm associated with workplace discrimination, a larger candidate pool from which to pick top talent, and more attention to risk. Not surprisingly, nine out of ten investors believe boards should revisit their director diversity policies, according to a 2014 survey by PriceWaterhouseCoopers.

American poultry workers routinely face substandard working conditions and either cannot or do not know how to stand up for their human rights. Research demonstrates that poultry workers suffer elevated rates of injury and illness and face obstacles to reporting poor working conditions. While Tyson has publicly stated robust policies about working conditions, recent news reports and OSHA investigations have identified a substantial gap between these policies and actual conditions inside plants.

Nearly two-thirds of Tyson's workforce is comprised of people of color, a statistic that Tyson is, and should be, proud of. Yet, only one person of color currently sits on Tyson's Board. Similarly, the number of women on Tyson's Board (two out of nine) lags behind the proportion of women in its workforce (39%). Tyson has a moral and legal obligation to ensure the health and safety of its workers. A Board that better represents the gender and racial diversity of the workforce would go a long way towards identifying problems in working conditions and narrowing the gap between policy and reality.

While Tyson has laudably committed itself to promoting diversity among its Team Members and suppliers, its efforts can, and should, go further. Diversity should be emphasized and promoted at all levels, including, most importantly, in its Board, which is responsible for setting policies and objectives in an increasingly dynamic, multi-cultural and interconnected world. As a company that employs over 115,000 Team Members and provides products in 130 countries, Tyson has an obligation to its shareholders to ensure that its corporate governance principles appropriately take diversity into account.

### Board Diversity

#### Pilgrim's Pride Corp

RESOLVED: Shareholders request that the Board of Directors prepare a report by April 1, 2018, at reasonable expense and omitting proprietary information and other information protected by privacy and other laws, on steps Pilgrim's Pride is taking to foster greater diversity on the Board over time, including but not limited to, the following:

1. The inclusion of women and minority candidates in every pool from which Board nominees are chosen and plans to advance Board diversity; and
2. An assessment of challenges experienced and progress achieved.

Supporting Statement: We believe that diversity, inclusive of gender and race, is a critical attribute of a well-functioning board and a measure of sound corporate governance. Currently, no women and no African Americans sit on Pilgrim's Pride's Board.

A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and minorities on boards. According to an August 2012 report by the Credit Suisse Research Institute which evaluated the performance of 2,360 companies globally over the six years ending December 20 11 , companies with one or more women on boards delivered higher average returns on equity, lower leverage, better average growth and higher price/book value multiples.

As it relates to the American poultry industry, board diversity also has the potential to foster sustainable improvements in the health and welfare of workers. A diverse board brings a stronger mix of leadership skills, improved understanding of consumer preferences, reduced reputational harm associated with workplace discrimination, a larger candidate pool from which to pick top talent, and more attention to risk. Not surprisingly, nine out of ten investors believe boards should revisit their director diversity policies, according to a 2014 survey by PriceWaterhouseCoopers.

In the animal slaughtering and processing industry, 36.3% of the workforce is comprised of women, 25.1% is comprised of African Americans, and 34.4% is comprised of Hispanics/Latinos. Research demonstrates that poultry workers suffer elevated rates of injury and illness and face obstacles to reporting poor working conditions. While Pilgrim's Pride has publicly stated that health and safety are core to the company and that it is committed to providing a safe work environment, recent news reports and OSHA investigations have identified a substantial gap between its public statements and company policies, and actual conditions inside plants. A Board that better represents the gender and racial diversity of the workforce would go a long way towards identifying problems in working conditions and narrowing the gap between policy and reality.

Pilgrim's Pride should emphasize diversity at all levels, but, most importantly, in its Board, which is responsible for setting policies and objectives in an increasingly dynamic, multi-cultural and interconnected world. As a company that employs over 38,000 employees and provides products in 90 countries, Pilgrim's Pride has an obligation to its shareholders to ensure that its corporate governance principles appropriately take diversity into account.

### Board Diversity

Apple Computer, Inc.

**RESOLVED:** Shareholders request that the Board of Directors adopt an accelerated recruitment policy requiring Apple Inc. (the “Company”) to increase the diversity of senior management and its board of directors, two bodies that presently fail to adequately represent diversity and inclusion (particularly Hispanic, African American, Native American and other people of color).

**Stockholder Supporting Statement:** The tech industry is characterized by the persistent and pervasive under-representation of minorities and women in senior positions as detailed in a 2014 U.S. Equal Employment Opportunity Commission report. According to a USA Today analysis of 2014 Computing Research Association data, “[t]op universities turn out black and Hispanic computer science and computer engineering graduates at twice the rate that leading technology companies hire them.”<sup>1</sup> The Company is at an advantageous position to be a leader in promoting diversity in senior management and its board of directors, based on its size, breadth and position as one of the largest companies in the world.

Shareholders are concerned that low levels of diversity at the Company’s senior management and board level, as well as painstakingly slow improvements, are a business risk.

According to the Company’s website, “Diversity is critical to innovation and it is essential to Apple’s future.”<sup>2</sup> Further, the Company has stated in multiple Proxy Statements that it is “committed to actively seeking out highly qualified women and individuals from minority groups to include in the pool from which board nominees are chosen.”

Shareholders believe that companies with comprehensive diversity programs, and strong commitment to implementation, enhance their long-term value, reducing the Company’s potential legal and reputational risks associated with workplace discrimination and building a reputation as a fair employer. Equally, shareholders believe the varied perspectives of a diverse senior management and board of directors would provide a competitive advantage in terms of creativity, innovation, productivity and morale, while eliminating the limitations of “groupthink”, as it would recognize the uniqueness of experience, strength, culture and thought contributed by each; strengthening its reputation and business. This is confirmed by McKinsey & Company, which found companies with highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity, and a May 2014 study found gender diverse teams were better at driving “radical innovation.”<sup>4</sup> “Diversity helps companies react more effectively to market shifts and new customer needs.”<sup>5</sup>

Therefore, shareholders ask the Company to assist investors in evaluating the company’s effectiveness in meeting its commitment to equal opportunity and diversity in senior management and board of directors, in a meaningful way that would not cause the company to breach the assurances of confidentiality and privacy that it has made to its employees. Currently shareholders have insufficient information to determine if the company has been successful in expanding diversity.

We urge shareholders to vote FOR the proposal.

1 <http://www.usatoday.com/story/tech/2014/10/12/silicon-valley-diversity-tech-hiring-computer-science-graduatesafrican-american-hispanic/14684211/>

2 <https://www.apple.com/diversity/>

3 <http://investor.apple.com/secfiling.cfm?filingid=1193125-14-8074&cik=320193>

4 Diversity Matters, McKinsey & Company, November 2011.

5 Diversity wins!, McKinsey & Company, November 2011.



### Board Diversity

#### Zillow Group

WHEREAS: Zillow Group does not have any women on its Board of Directors.

We believe that diversity, inclusive of gender and race, is a critical attribute of a well-functioning board and a measure of sound corporate governance.

The 2012 Credit-Suisse Research Report Gender Diversity and Corporate Performance links board diversity to better stock market and financial performance (higher return on equity, lower leverage, and higher price/book ratios). It suggests several explanations for this better performance including a stronger mix of leadership skills, improved understanding of consumer preferences, a larger candidate pool from which to pick top talent, and more attention to risk. In 2014, Credit-Suisse observed similar results. Additionally, numerous studies suggest a critical mass of at least three women directors strengthens corporate governance.

SEC Chair White in a 2016 keynote address articulated the benefits of diversity to investors. “As a former member of a public company board and its audit committee, I have seen first-hand what the research is telling us – boards with diverse members function better and are correlated with better company performance. This is precisely why investors have – and should have – an interest in diversity disclosure about board members and nominees.”

A 2014 PwC survey of investors representing more than \$11 trillion in assets observed that “Nine out of 10 investors believe boards should be revisiting their director diversity policies, and 85% believe doing so will require addressing underlying impediments...” This is consistent with growing investor engagement on board diversity, as evidenced by state and city pension funds from California, Connecticut, New York City and New York State.

Moreover, Rhode Island and Massachusetts pension funds announced that they will vote against all director nominees sitting on boards with less than 30% and 25% women or underrepresented minority directors, respectively.

CEOs, through the Business Roundtable’s 2016 Principles of Corporate Governance, identified board diversity as a driver of long-term economic value and called for women and/or minority candidates to be considered for each open board seat.

Zillow Group lags peers with respect to the representation of women on its Board. Netflix and Expedia have three and two women on their Boards, respectively.

Moreover, the representation of women on corporate boards of S&P1500 companies has changed little in the last two years. Women hold 16.3% of directorships, less than a percentage point above 2014 levels. Women of color hold approximately 2.4% of directorships in 2014, unchanged since 2010 (2016 ISS Board Practice Study).

RESOLVED: Shareholders request that the Board of Directors prepare a report by December 2017, at reasonable expense and omitting proprietary information, on steps Zillow Group is taking to foster greater diversity on the Board including but not limited to:

1. Strengthening Nominating and Corporate Governance policies by embedding a commitment to diversity inclusive of gender, race, ethnicity;
2. Committing to include women and underrepresented minority candidates in every pool from which Board nominees are chosen;
3. Reporting on progress and challenges experienced.

### Board Diversity

#### Restaurant Brands International

WHEREAS: Gender diversity is a critical attribute of a well-functioning board and a measure of sound corporate governance. Competing in a global marketplace requires companies to promote and select individuals for leadership positions who will bring diverse perspectives to the decision-making process. Research has demonstrated that companies that have women on the Board of Directors have outperformed their peers that do not.

Recognizing the benefits of gender diversity on corporate boards the Ontario Securities Commission recently made amendments to National Instrument 58-101. These amendments follow a “comply or explain” model and require issuers to make disclosures regarding the number of women on the board and in executive officer positions.

Many of Restaurant Brands International’s (RBI) competitors such as McDonalds, Starbucks, Dunkin’ Brands and Wendy’s have at least two women directors on their boards. As long-term shareholders, we believe that RBI will benefit from expanding its recruitment pool and promoting a more diverse board.

In its 2016 Management Information Circular RBI noted that it does not have a formal written policy relating to the identification and nomination of women directors nor does it have a formal written diversity policy. However, in response to a shareholder proposal filed for its 2016 Annual General Meeting, RBI made changes to the Charter of the Nominating and Corporate Governance [NCG] Committee “to consider diverse candidates in terms of race, gender, geography, thought, viewpoints, backgrounds, skills, experience, and expertise.” It said that “any search firm retained to assist the NCG Committee in seeking new director candidates for the board will be instructed to seek to include diverse candidates who possess these qualifications and criteria.”

Following the 2016 Meeting, the company also expanded its board and appointed one female Director. However the new Director is the daughter of current RBI Director and 3G Capital founder Carlos Sicupira and sits on multiple corporate boards alongside him, which suggests that the new appointment does not truly address shareholders’ concerns about diversity and independence on the board.

Nor do these changes address in any meaningful way the company’s plans, timelines and activities for increasing gender diversity on the board and senior management, or identify effective processes and indicators for developing and advancing women candidates for the board and senior management.

We therefore believe that the Board needs to adopt a more formal and systematic approach to improving diversity in its ranks.

RESOLVED: Shareholders request that the Board of Directors:

- a) Adopt and publish a formal, written Board diversity policy by December 2017; and
- b) Provide to shareholders a report by December 2017, at reasonable cost and omitting proprietary information, which outlines the Board’s plans, timelines, process and activities for increasing gender diversity on the Board of Directors and amongst senior management. We propose that the requested report should also address the number of women in the candidate pool for the most recent recruiting period.

### Proxy Voting Policies – LGBT Issues

**NEW**

BlackRock, Inc.

BlackRock's Equal Employment Opportunity (EEO) policy explicitly prohibits discrimination based on sexual orientation and gender identity – to protect lesbian, gay, bisexual, and transgender (LGBT) employees that are not otherwise protected under federal and state laws. The company has earned a perfect score on the Human Rights Campaign corporate equality index, and internally offers an employee resource group to engage and support LGBT employees in promoting an inclusive environment.

BlackRock states: "Inclusion and diversity are key to our success. By fully leveraging our diverse experiences, backgrounds and insights, we can inspire innovation, challenge the status quo and create better outcomes for our people and our clients."

This approach is consistent with research from Credit Suisse which finds that LGBT-supportive policies lead to positive business outcomes, lower staff turnover, and increased job satisfaction. Specifically, the April 2016 report documents that companies with strong LGBT policies and practices, saw share price outperformance of 3.0% per annum over the previous six years.

However, according to public fund voting records, over the past few years funds managed by BlackRock voted against all (eight out of eight) shareholder resolutions requesting companies, which BlackRock held, to add sexual orientation and gender identity to their corporate equal employment opportunity policies. These resolutions were voted on at American Financial Group, Exxon Mobil Corp, J.B. Hunt (which received a majority vote), and other companies. In contrast, funds managed by investment firms such as Wells Fargo, T. Rowe Price, and Charles Schwab have supported the majority of these shareholder resolutions.

These shareholder resolutions simply asked companies to include sexual orientation and gender identity in their EEO policies – language already included in BlackRock's workplace policies.

BlackRock and its subsidiaries are responsible for voting proxies at companies in their portfolios. Aside from buy/sell decisions, proxy voting is one of the principal ways in which investors can engage corporate leadership on management of portfolio risks and opportunities related to governance.

We believe the inconsistency between how BlackRock votes proxies and its own internal policies and practices could pose a reputational risk to the company, especially given the contrast with competing investment firms. We believe it's in BlackRock's and its shareholders' best interests to align its proxy voting with the company's approach to LGBT inclusion and workplace policies.

**RESOLVED:** Shareholders request that the Board of Directors issue a report discussing BlackRock's proxy voting on workplace LGBT non-discrimination policy shareholder resolutions, at reasonable cost and omitting proprietary information. The report should assess any inconsistencies between BlackRock's proxy voting record, policies, and guidelines on workplace LGBT non-discrimination shareholder resolutions and the company's public position and internal policies on this issue. It should list all instances of votes cast that may reasonably appear to be inconsistent, and provide explanations of the incongruence. The report should cover the company and its subsidiaries, and the proxy voting records of the previous year. The report should discuss measures the company can adopt to help improve such consistency.

## Non-Discrimination Policies in States with Pro-Discrimination Laws

NEW

### Western Union Company (The)

WHEREAS: Western Union has numerous documents and policies regarding nondiscrimination, such as: “We commit to treating each other with dignity and respect at all times”; “We do not discriminate in hiring, promotion, compensation of employees, and employment practices on grounds of race, pregnancy, color, sexual orientation, sex/gender, gender identity”; and that “We have zero tolerance for any discrimination or harassment that is based on these categories”;

Our Company employs people in much of the United States, including states like Colorado, Florida, and Nebraska that have recently established or proposed policies that are attacks on LGBT rights and equality:

- Two religious freedom bills introduced this year in Colorado. HB1123 would have exempted clergy members, ministers and religiously affiliated organizations from participating in any ceremony, including a marriage, that conflicted with their beliefs. HB1180 was an attempt to create a state-level Religious Freedom Restoration Act;
- In Florida last year, one bill introduced would have allowed adoption agencies to refuse service to same-sex couples, while another would have allowed individuals, businesses with five or fewer owners, religious institutions and businesses operated by faith groups to refuse to produce, create or deliver a product or service to a customer if they have a religious or moral objection;
- Nebraska policymakers are considering a bill that opponents say would enable adoption agencies to refuse service to LGBT families;

Many businesses such as PayPal and The Walt Disney Company have spoken out against the new pro-discrimination policies. Executives from companies such as Apple, Intel, Google, Microsoft, EMC, PayPal, and Whole Foods Market are calling for repeal of certain state pro-discrimination policies.

RESOLVED: Shareholders request that the Company issue a public report to shareholders, employees, customers, and public policy leaders, omitting confidential information and at a reasonable expense, by October 1, 2017, detailing the known and potential risks and costs to the Company caused by any enacted or proposed state policies supporting discrimination against LGBT people, and detailing strategies above and beyond litigation or legal compliance that the Company may deploy to defend the Company’s LGBT employees and their families against discrimination and harassment that is encouraged or enabled by the policies.

Supporting Statement: Shareholders recommend that the report evaluate risks and costs including, but not limited to, negative effects on employee hiring and retention, challenges in securing safe housing for employees, risks to employees’ LGBT children and risks to LGBT employees who need to use public facilities, and litigation risks to the Company from conflicting state and company anti-discrimination policies. Strategies evaluated should include public policy advocacy, human resources and educational strategies, and the potential to relocate operations or employees out of states with discriminatory policies (evaluating the costs to the Company and resulting economic losses to prodiscriminatory states).

### **Sexual Orientation & Gender Identity/Expression Non-Discrimination**

Verisk Analytics, Inc.

*Similar resolutions were submitted to Dentsply Sirona, Inc., EOG Resources, Inc.*

WHEREAS: Verisk Analytics (Verisk) does not explicitly prohibit discrimination based on gender identity or gender expression in its written employment policy;

According to the Human Rights Campaign Foundation's 2016 survey, 75 percent of Fortune 500 companies prohibit discrimination based on sexual orientation and gender identity or expression, a historic high.

We believe that corporations that prohibit discrimination on the basis of gender identity or expression have a competitive advantage in recruiting and retaining employees from the widest talent pool;

According to an analysis of surveys conducted by the Williams Institute at the UCLA School of Law, sixteen to sixty eight percent of LGBT (lesbian, gay, bisexual and transgender) people report experiencing employment discrimination. Ninety percent of transgender individuals have encountered some form of harassment or mistreatment in the workplace;

Although federal law does not provide sexual orientation and gender identity employment discrimination protection, eighteen states, the District of Columbia, and more than 225 cities and counties have laws prohibiting employment discrimination based on gender identity or expression;

In July 2014, the White House signed an amendment to an existing Executive Order covering companies that are federal contractors. The Executive Order explicitly prohibits federal contractors from discriminating on the basis of sexual orientation or gender identity. In issuing the order the President stated, "equality in the workplace is not only the right thing to do, it turns out to be good business. That's why a majority of Fortune 500 companies already have nondiscrimination policies in place."

Verisk and its subsidiaries operate in several states that do not provide discrimination protections based on gender identity such as Texas, South Carolina, and Ohio.

Verisk may be lagging behind peers with comprehensive equal employment opportunity policies. According to the Human Rights Campaign, many companies in the computer and data services industry, such as Automatic Data Processing, FactSet, Dropbox, and Nielsen explicitly prohibit discrimination based on gender identity or expression in their written policies.

RESOLVED: Shareholders request that Verisk amend its written equal employment opportunity policy to explicitly prohibit discrimination based gender identity or expression and to take concrete action to implement the policy.

Supporting Statement: We believe employment discrimination on the basis of sexual orientation or gender identity diminishes employee morale and productivity. Because state and local laws are not comprehensive with respect to prohibiting employment discrimination, our company would benefit from a comprehensive, consistent, corporate-wide policy to enhance efforts to prevent discrimination, resolve complaints internally, access employees from the broadest talent pool, and ensure a respectful and supportive atmosphere for all employees. We believe Verisk will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.

### Sexual Orientation & Gender Identity/Expression Non-Discrimination

Brown & Brown, Inc.

*A similar resolution was submitted to Cato Corporation (The).*

**RESOLVED:** The Shareholders request that Brown & Brown amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression and report on its programs to substantially implement this policy.

Supporting Statement: Brown & Brown does not explicitly prohibit discrimination based on sexual orientation, gender identity or expression in its written Equal Employment Opportunity (EEO) policy.

After signing a 2014 Executive Order that explicitly prohibited federal contractors from discriminating on the basis of sexual orientation or gender identity in employment, President Obama stated, "Equality in the workplace is not only the right thing to do, it turns out to be good business. That's why a majority of Fortune 500 companies already have nondiscrimination policies in place."

The Human Rights Campaign Foundation's 2016 survey notes that among the Fortune 500®:

- 93% have Equal Employment Opportunity Policies that include sexual orientation,
- 75% have Equal Employment Opportunity Policies that include gender identity or expression, a historic high.

Additionally, industry peers such as Marsh & McLennan Companies and Aon Plc explicitly prohibits discrimination on the basis of sexual orientation and gender identity in their written equal employment policies.

Furthermore, public opinion polls consistently find more than three-quarters of people in the United States support equal rights in the workplace. In a 2015 nationwide survey conducted by Greenberg Quinlan Rosner Research, the vast majority (78 percent) of the 950 respondents supported protecting LGBT (lesbian, gay, bisexual, transgender) people from discrimination in employment.

Currently, 20 states, the District of Columbia and more than 225 cities prohibit discrimination in employment on the basis of sexual orientation and gender identity. Two additional states prohibit discrimination based on sexual orientation. Brown & Brown has operations in 18 states with such policies (approximately half of the states the company indicates having retail office locations).

Ninety-two percent of LGBT individuals surveyed agree that various levels of discrimination still persist against this group (Pew Research Center, June 2013). Transgender workers report even more widespread employment discrimination than gay and lesbian workers—up to 56% were fired, up to 47% were denied employment, and up to 31% were harassed based on their gender identity (Williams Institute, July 2011).

We believe employment discrimination on the basis of sexual orientation, gender identity or gender expression diminishes employee morale and productivity. Because local laws differ with respect to employment discrimination, the company would benefit from a consistent, corporate-wide policy. We believe an inclusive EEO policy would help our company enhance efforts to prevent discrimination; resolve complaints internally, avoid costly litigation or damage to its reputation, access employees from the broadest possible talent pool, and ensure a respectful and supportive atmosphere for all employees. We further believe Brown & Brown will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees and prospective employees.

## Sexual Orientation & Gender Identity/Expression Non-Discrimination

NetGear, Inc.

**RESOLVED:** The Shareholders request that NETGEAR amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression and report on its programs to substantially implement this policy.

Supporting Statement: After signing a 2014 Executive Order that explicitly prohibited federal contractors from discriminating on the basis of sexual orientation or gender identity in employment, President Obama stated, "Equality in the workplace is not only the right thing to do, it turns out to be good business. That's why a majority of Fortune 500 companies already have nondiscrimination policies in place."

Furthermore, public opinion polls consistently find more than three-quarters of people in the United States support equal rights in the workplace. In a 2015 nationwide survey conducted by Greenberg Quinlan Rosner Research, the vast majority (78 percent) of the 950 respondents supported protecting LGBT (lesbian, gay, bisexual, transgender) people from discrimination in employment.

However, ninety-two percent of LGBT individuals surveyed agree that various levels of discrimination still persist against this group (Pew Research Center, June 2013). Transgender workers report even more widespread employment discrimination than gay and lesbian workers—up to 56% were fired, up to 47% were denied employment, and up to 31% were harassed based on their gender identity (Williams Institute, July 2011).

NETGEAR does not have a publicly accessible Equal Employment Opportunity (EEO) policy and therefore does not appear to explicitly prohibit discrimination based on sexual orientation or gender identity or expression.

On the other hand, industry peers such as Novatel Wireless and Extreme Networks explicitly prohibit discrimination on the basis of sexual orientation in their written equal employment policies.

In addition, the Human Rights Campaign Foundation's 2016 survey notes that among the Fortune 500®:

- 93% have Equal Employment Opportunity Policies that include sexual orientation,
- 75% have Equal Employment Opportunity Policies that include gender identity or expression, a historic high.

Currently, 20 states, including California where NETGEAR is headquartered, the District of Columbia and more than 225 cities prohibit discrimination in employment on the basis of sexual orientation and gender identity. Two additional states prohibit discrimination based on sexual orientation.

We believe employment discrimination on the basis of sexual orientation, gender identity or gender expression diminishes employee morale and productivity. Because local laws differ with respect to employment discrimination, the company would benefit from a consistent, corporate-wide policy. We believe an inclusive EEO policy would help our company enhance efforts to prevent discrimination; resolve complaints internally, avoid costly litigation or damage to its reputation, access employees from the broadest possible talent pool, and ensure a respectful and supportive atmosphere for all employees. We further believe NETGEAR will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees and prospective employees.

The amended policy should be placed on NETGEAR's website so as to be most useful to prospective employees and interested stakeholders.

## **Sexual Orientation & Gender Identity/Expression Non-Discrimination**

### **Johnson Outdoors**

WHEREAS: Johnson Outdoors does not presently explicitly prohibit discrimination based on gender identity or gender expression in its written employment policy or Code of Conduct;

Additionally, while shareholders applaud the Company for intending to include sexual orientation as a protected category, the Company's Code of Conduct refers to "sexual preference," rather than the more widely accepted "sexual orientation";

Ninety-two percent of LGBT (lesbian, gay, bisexual, transgender) individuals surveyed agree that various levels of discrimination still persist against this group (Pew Research Center, June 2013). Transgender workers report even more widespread employment discrimination than gay and lesbian workers—up to 56% were fired, up to 47% were denied employment, and up to 31% were harassed based on their gender identity (Williams Institute, July 2011);

Public opinion, private and public organizations, and governmental regulation are increasingly supportive of equal employment opportunity regardless of gender identity or expression. For example, three quarters of voters in the 2012 election favored outlawing sexual orientation and gender identity discrimination in employment, according to research by Greenberg Quinlan Rosner (2012). In June 2014, President Obama announced an executive action prohibiting companies that receive federal contracts from discriminating both on sexual orientation and gender identity;

Additionally, 22 states, the District of Columbia, and more than 200 cities require protection on the basis of sexual orientation, while 20 states and the District of Columbia require protection on the basis of gender identity or expression. Johnson Outdoors employs staff and makes sales to institutions in states and cities that specifically prohibit discrimination based upon gender identity and expression, including our facilities in Minnesota, Maine, and New York;

Furthermore, The Human Rights Campaign Foundation notes that at least 89% of Fortune 500® companies have Equal Employment Opportunity Policies that include sexual orientation, 66% include gender identity or expression, and 28% now offer essential health care benefits to transgender employees;

Some of Johnson Outdoors's peers such as North Face (VF Corporation), C-Map (Jeppesen Charts), and Marmot (Jarden Technical Apparel) explicitly prohibit discrimination on the basis of sexual orientation and/or gender identity in their written equal employment policies;

We believe employment discrimination on the basis of sexual orientation and gender identity or expression diminishes employee morale and productivity. Because local laws differ with respect to employment discrimination, Johnson Outdoors would benefit from a company-wide policy to prevent discrimination, resolve complaints internally to avoid costly litigation or reputational damage, access employees from the broadest possible groups, and ensure a respectful and supportive atmosphere for all employees. Our Company will enhance its competitive edge by joining the growing ranks of companies with inclusive nondiscrimination policies.

RESOLVED: The Shareholders request that Johnson Outdoors amend its written equal employment opportunity policy and Code of Conduct to explicitly prohibit discrimination based on sexual orientation and gender identity or expression, and report on its plans to substantially implement this policy.



## Lobbying and Political Contributions

Corporations may spend millions of dollars to influence our legislative and political systems to favor their business interests. These expenditures are often undisclosed and funneled through membership in and donations to organizations like the Chamber of Commerce and the America Legislative Exchange Council (ALEC) which advance agendas that companies cannot openly admit to supporting because doing so would negatively impact their brand images.

For the past few years, a coalition including religious investors, socially responsible asset management companies, unions, foundations and state and city pension funds has been urging companies to fully disclose their lobbying and political spending as they believe this information is material to investors. They have conducted a coordinated campaign of shareholder resolution filings and corporate dialogues that has borne clear results — over 150 companies have instituted meaningful disclosure of their financial involvement in elections, and over 100 have left ALEC.

This year’s 48 filings addressing corporate lobbying and political contributions are down from last year’s 62. Sixteen of these resolutions dealt with lobbying in general, and 21 with lobbying against the EPA’s Clean Power Plan. An additional 2 resolutions calling for a review of public policy advocacy on climate change were filed, are discussed in the Climate Change section of the Book.

Proposal Topic	Quantity
<b>Lobbying and Political Contributions</b>	<b>48</b>
Lobbying Expenditures Disclosure	16
Lobbying Expenditures Disclosure – Climate	21
Political Contributions	10
Review Lobbying at Federal, State and Local Levels	1

## Lobbying Expenditures Disclosure – Climate Policy

Many publicly-traded corporations are members of ALEC, which crafts legislation that challenges renewable energy regulations and undermines the EPA’s Clean Power Plan. As a result investors are challenging companies to rethink their “climate lobbying” and instead support forward-looking policies to combat climate change.

Emphasizing the Chamber’s attacks on the EPA and ALEC’s attempts to repeal state renewable energy standards, ICCR members filed 21 resolutions calling for greater lobbying expenditures disclosure. AT&T, Alphabet/Google, Bank of America, Chevron, Exxon Mobil, Ford, and others were asked to report on: their policies and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications, including: company payments used for (a) direct or indirect lobbying or (b) grassroots lobbying communications; company membership in and payments to any tax-exempt organization that writes and endorses model legislation, and c) a description of management and board decision-making processes and oversight for making payments.



“In this new political context, the influence of corporate money in elections (especially hidden or “dark money”) and on public policy through lobbying is more important

than ever to address. It can have a distinct impact on who gets elected and what laws and regulations are put in place.

Trade associations like the U.S. Chamber of Commerce are active lobbyists and spend over 40% of dues dollars for lobbying. In recent years, investors have watched in dismay as the Chamber campaigned against the Clean Power Plan and sued the EPA to stop it. Meanwhile, ALEC — supported by a range of companies — works at the state level to challenge renewable energy regulations.

Companies spend approximately ten times more on lobbying than they do to influence elections. It is important that investors have a clear picture of what issues companies lobby on and monies spent.

This season, investors are once again engaging companies in their portfolios, not only urging them to rethink their climate lobbying, but to actively raise their voices in support of solutions to climate change as well.”

**Tim Smith, Senior Vice President – Walden Asset Management**

### Political Contributions

Corporate disclosure of political contributions is in the best interest of a company, its shareholders and the general public, and enables the electorate to make informed decisions and give proper weight to different speakers and messages.

Investors asked 10 companies—including AT&T, Alphabet/Google, and Emerson—to publicly disclose their policies and procedures for making contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public with respect to an election or referendum, as well as their monetary and non-monetary contributions and expenditures (direct and indirect).



### Political Contributions

#### Emerson

*A similar resolution was submitted to Exxon Mobil.*

RESOLVED, shareholders of Emerson Electric Company (the "Company") request the Company prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on the Company's website, that discloses the Company's:

- a) Use of corporate funds for independent expenditures and electioneering communications, as defined by state and federal law, as well as contributions to or expenditures on behalf of organizations that make such expenditures, and
- b) Contributions to or expenditures on behalf of entities organized and operating under section 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments that are made to any tax-exempt organization (such as a trade association) that are used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e) 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.

Supporting Statement: As long-term Emerson Electric Company shareholders, we support transparency and accountability in corporate spending on political activities. Disclosure is in the best interest of the Company and its shareholders. The Supreme Court's 2010 Citizens United ruling recognized the importance of disclosure when it said: "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."

The Company contributed at least \$1,343,000 in corporate funds since the 2010 election cycle. (CQ <http://moneyline.cq.com>; National Institute on Money in State Politics <http://www.followthemoney.org>)

We acknowledge that our Company discloses a policy on corporate political spending and its contributions to state-level candidates, parties and committees on its website. However, we believe this is deficient because the Company will not disclose the following expenditures made for political purposes:

- A list of trade associations to which it belongs and how much it gave to each;
- Payments to any other third-party organization, including those organized under section 501(c)(4) of the Internal Revenue Code; and
- Any independent expenditure made directly by the Company.

Information on indirect political engagement 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 political spending, direct and indirect. This would bring our Company in line with a growing number of companies, including Cummins, Schlumberger and United Technologies, which support comprehensive political disclosure and accountability and present this information on their websites.

The Company's board and shareholders need comprehensive disclosure to be able to evaluate the political use of corporate assets. We urge your support for this critical governance reform.

### Political Contributions

AT&T Inc.

RESOLVED, that the shareholders of AT&T ("Company") hereby request that the Company provide a report, updated semi-annually, disclosing the Company's:

Indirect monetary and non-monetary expenditures used for political purposes, i.e., to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections.

The report shall include:

- a. An accounting through an itemized report that includes the identity of the recipient as well as the amount paid to each recipient of the Company's funds that are used for political contributions or expenditures as described above; and
- b. The title(s) of the person(s) in the Company who participated in making the decisions to make the political contribution or expenditure.

This proposal does not encompass payments used for lobbying.

The report shall be presented to the board of directors' audit committee or other relevant oversight committee and posted on the Company's website.

Supporting Statement: As long-term AT&T shareholders, we support transparency and accountability in corporate political spending. Disclosure is in the best interest of the Company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision: "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."

Publicly available records show AT&T has contributed over \$92 million in corporate funds since the 2004 election cycle. (CQMoneyLine: <http://moneyline.cq.com>; FollowtheMoney: <http://www.followthemoney.org>)

We acknowledge that AT&T publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties and committees. We believe this is deficient because AT&T does not disclose the following:

- A full list of trade associations to which it belongs and the non-deductible portion of the dues paid to each;
- Payments to any other third-party organization, including those organized under section 501(c)(4) of the Internal Revenue Code, that could be used for election-related purposes; and
- Any direct independent expenditure made by the Company to support or oppose a candidate or campaign.

Information on indirect political engagement through trade associations and 501(c)(4) groups cannot be obtained by shareholders unless the Company discloses it. This would bring our Company in line with a growing number of leading companies, including Time Warner and CenturyLink, that present this information on their websites.

Forty-five percent of the S&P 500 currently disclose some level of payments to trade associations, or say they instruct trade associations not to use these payments on election-related activities (CPA-Zicklin Index of Corporate Political Disclosure and Accountability).

Indirect political spending presents unique risks that are not addressed by AT&T's current policies. Opacity allows trade associations and other tax exempt entities to use AT&T funds for purposes that may conflict with AT&T's policies and best interests. Disclosure permits oversight and accountability.

### Political Contributions

Berkshire Hathaway Inc.

*Similar resolutions were submitted to PNC Financial Services Group, Inc., Wyndham Worldwide Corp.*

RESOLVED, that the shareholders of Berkshire Hathaway, Inc. (“Company”) hereby request that the Company provide a report, updated semiannually, disclosing the Company’s:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political 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.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
  - a. The identity of the recipient as well as the amount paid to each; and
  - b. The title(s) of the person(s) in the Company responsible for decisionmaking.

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.

Supporting Statement: As long-term shareholders of Berkshire Hathaway, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties or committees; ballot initiatives; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

Disclosure is in the best interest of the company and its shareholders and critical for compliance with federal ethics laws. Moreover, the Supreme Court’s Citizens United decision recognized the importance of political spending disclosure for shareholders when it said, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.” Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

According to publicly available data, Berkshire has contributed at least \$55,976 in corporate funds since the 2004 election cycle. (CQ: <http://moneyline.cq.com> and National Institute on Money in State Politics: <http://www.followthemoney.org>).

But relying on publicly available data may not provide a complete picture of a company’s political spending. For example, the Berkshire Hathaway’s payments to trade associations used for political activities are undisclosed and unknown. In some companies, corporate managers do not know how trade associations use their company’s money politically. The proposal asks Berkshire Hathaway to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring it in line with a growing number of leading companies, including Capital One, JP Morgan Chase, and Visa, that support political disclosure and accountability and present this information on their websites.

The Company’s Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

### Political Contributions

Alphabet, Inc.

RESOLVED, shareholders of Alphabet Inc. (the "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, that discloses the Company's –

- (a) Policies and procedures for making political contributions and expenditures (both direct and indirect) with corporate funds, including the board's role (if any) in that process, and
- (b) Monetary and non-monetary political contributions or expenditures that could not be deducted as an "ordinary and necessary" business expense under section 162(e) of the Internal Revenue Code; this would include (but not be limited to) contributions to or expenditures on behalf of political candidates, political parties, political committees and other entities organized and operating under sections 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments that are made to any tax-exempt organization (such as a trade association) and that are used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e) 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.

Supporting Statement: As long-term Alphabet shareholders, we support transparency and accountability in corporate spending on political activities. Disclosure is in the best interest of the Company and its shareholders. The Supreme Court's 2010 Citizens United recognized the importance of disclosure when it said: "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."

According to the Center for Responsive Politics, in the last decade, Alphabet gave nearly \$3 million to federal candidates; \$788,000 to committees; and \$275,000 to national parties. According to the National Institute for Money in State Politics, from 2009 through 2014, Alphabet contributed more than \$4 million to candidates and committees in state and local races. These figures do not include the undisclosed amounts that Alphabet may be contributing to so-called "dark money" nonprofits such as:

- Trade associations
- Other third-party organization, such as 501c4s
- Other independent expenditures

These activities invite legal and reputation risk, and contribute to political instability by driving the public's worst suspicions that the U.S. political system is rigged in favor of large donors.

Information on indirect political engagement 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 political spending, direct and indirect, to bring our Company in line with a growing number of leading companies, including Microsoft and Intel, which present this information on their websites.

The Company's Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

### Political Contributions

#### Pinnacle West Capital Corporation

WHEREAS: Political spending by Pinnacle West Capital Corporation (“the Company” or “Pinnacle West”) exposes the Company to risks that could adversely affect its stated goals, objectives, and ultimately shareholder value. Pinnacle West’s political contributions have been the source of significant controversy, reputational damage, and business risk.

Pinnacle West has been embroiled in controversy regarding its political spending since 2013, when it admitted to funding an anti-solar campaign. (“Arizona Utility Funds Solar Smear Campaign, Saying It Is ‘Obligated to Fight’”, Greentech Media, October 2013). Pinnacle West’s political spending records have been subpoenaed by a Public Service Commissioner, and its political spending activities are being investigated by the FBI. (“Arizona Corporation Commission’s Robert Burns subpoenas APS, Pinnacle West”, AZ Central, August 2016) (“FBI investigation of APS: 6 things to know”, 12 News, June 2016). In the November 2016 election cycle, Pinnacle West disclosed spending \$3.5 million to help fund the election of three commissioners to the Arizona Corporation Commission, its primary regulator. (“APS spends \$3.5 million on Corp Com campaign; Solar City \$2.2 million”, Arizona Daily Sun, November 2016)

At minimum, Pinnacle West’s political spending creates the appearance of impropriety. Shareholders must understand the full scope of Pinnacle West’s political spending activities to assess whether it comports with the best interests of the Company, its shareholders, and its stakeholders.

Based on the problems to date, the Proponents urge shareholders to support this resolution. Previous resolutions seeking greater transparency on Pinnacle West’s political spending received votes of 30.8% in 2015, and 34.5% in 2016, indicating growing investor support of this critical issue.

RESOLVED: Shareholders request that Pinnacle West prepare a public report fully disclosing monetary and in-kind expenditures on political activities that cannot be deducted as an “ordinary and necessary” business expense under section 162(e) of the Internal Revenue Code because they are incurred in connection with: (a) influencing legislation, (b) participating or intervening in any political campaign on behalf of (or in opposition to) any candidate for public office, and (c) attempting to influence the general public, or segments thereof, with respect to elections, legislative matters, or referenda. Shareholders request that the report detail any:

- contributions to, or expenditures in support of or in opposition to, political candidates, committees, and parties;
- dues, contributions, or other payments made to tax-exempt organizations operating under sections 501(c)(3), 501(c)(4), and 527 of the Internal Revenue Code, respectively, including tax-exempt entities that write model legislation, and non-profit groups organized to promote “social welfare”;
- portion of dues or other payments made to tax-exempt entities that are used for an expenditure or contribution and that would not be deductible under section 162(e) of the Code if made directly by the Company.

The report should identify all recipients of Company funds, and amounts paid to each.

### Political Contributions

Home Depot, Inc.

*A similar resolution was submitted to Intel Corporation.*

WHEREAS: The Supreme Court ruling in *Citizens United v. Federal Election Commission* interpreted the First Amendment right of freedom of speech to include certain corporate political expenditures involving “electioneering communications,” resulting in greater public and shareholder concern about corporate political spending;

Shareholders believe Home Depot should minimize risk to the firm’s reputation regarding possible future missteps in corporate political contributions, including HD PAC contributions;

Our website and policies indicate that environmental protection and diversity are high priorities for our Company;

Shareholders appreciate Home Depot’s efforts to strengthen internal oversight of political contributions, however analysis of 2015-2016 political contributions indicate misaligned contributions, including:

Sen. Richard Burr, who co-sponsored amending the Constitution to define “traditional marriage”;

Rep. Tom Emmer, who equated equal marriage to bestiality and said he would not sign anti-bullying legislation to promote safe schools because “I don’t want the government doing that for us”;

Sen. Pat Toomey, who has been described by the League of Conservation Voters as “one of big polluters’ best allies in Congress,” and as having advocated “for the rich and powerful through his defense of billions in tax breaks for Big Oil polluters”;

Reps. Darrell Issa and Scott Tipton, Sens. Marco Rubio, Mike Crapo, John Shimkus, Chuck Grassley, Johnny Isakson, who have made public statements disavowing the reality of climate change;

Shareholders also recognize that conflicting issues may exist in the decision-making process of which political candidates to support, and are concerned that these decisions may be beyond the scope of Company management to determine. Accordingly, due to risks to shareholder value that may come from political missteps, shareholders should have the opportunity to weigh in on the annual plan of political contributions including the PAC.

RESOLVED: Shareholders recommend that the Board of Directors adopt a policy under which the proxy statement for each annual meeting will contain a proposal on political contributions describing:

- the Company’s and HD PAC policies on electioneering and political contributions and communications,
- any political contributions known to be anticipated during the forthcoming fiscal year,
- management’s analysis of the congruency with company values and policies of the company’s and HD PAC’s policies on electioneering and political contributions and communications, and of the resultant expenditures for the prior year and the forthcoming year, and an explanation of the rationale for any contributions found incongruent;
- management’s analysis of any resultant risks to our company’s brand, reputation, or shareholder value;
- and providing an advisory shareholder vote on those policies and future plans.

Supporting Statement: “Expenditures for electioneering communications” means spending 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.



### Review Lobbying at Federal, State and Local Levels

United Parcel Service, Inc.

WHEREAS: Investors are increasingly concerned about how companies lobby at the federal, state and local levels, including indirect lobbying through trade associations and tax-exempt organizations. A high level of transparency helps ensure lobbying activities are consistent with stated corporate policies and values, thereby reducing reputational and business risk that could alienate consumers, investors and other stakeholders.

The tax-exempt American Legislative Exchange Council (ALEC) has come under unique scrutiny due to its controversial, partisan public policy positions and the lobbying enabled by the organization through model legislation it provides and promotes. ALEC has been associated with contentious anti-immigration and "Stand Your Ground" legislation, as well as a restrictive North Carolina voting law which the Fourth Circuit Court struck down this year, noting that some of the law's "provisions target African Americans with almost surgical precision". The group has also opposed policies to combat climate change.

In 2015, ALEC initiated model legislation to block the EPA's Clean Power Plan aiming to limit carbon pollution from power plants. Further, legislation inspired by ALEC's model "Electricity Freedom Act" calling for the repeal of state-level Renewable Portfolio Standards was presented to a number of state legislatures. In contrast, UPS is a leader in its commitment to address the environment and climate change.

UPS is a corporate board member of ALEC and funds its work. We believe this partnership may bring significant reputational and business risk to the company. In recent years, major corporations have disassociated from ALEC, such as Shell, Coca-Cola, Google, Ford, Microsoft, John Deere, General Electric, McDonald's, PepsiCo, Procter & Gamble, and Wal-Mart. Yet UPS has continued to support ALEC, and does not speak out on ALEC positions that violate our company's policies and values.

RESOLVED: Shareholders request that the Board of Directors initiate a review and assessment of organizations in which UPS is a member or otherwise supports financially for involvement in lobbying on legislation at federal, state or local levels. A summary report of this review prepared at reasonable cost and omitting proprietary information should be reviewed by the Board Governance Committee and provided to shareholders.

Supporting Statement: We propose the review should:

1. Examine the philosophy, major objectives and actions taken by the organization supported;
2. Assess the consistency between our company's stated policies, principles, and Code of Conduct and those of the organization supported;
3. Determine if the relationship carries reputational or business risk that could have a negative impact on the company, its shareholders, or other stakeholders;
4. Evaluate management's rationale for its direct involvement in, or financial support of, the organization to determine if the support is in the long-term best interests of the company and its stakeholders;
5. Assess current and potential internal oversight and controls governing the use of corporate assets for political purposes.

### Lobbying Expenditures Disclosure

#### Walgreens Boots Alliance

*A similar resolution was submitted to AbbVie.*

WHEREAS, we believe in full disclosure of Walgreens Boots Alliance direct and indirect lobbying activities and expenditures to assess whether Walgreens' lobbying is consistent with Walgreens' expressed goals and in the best interest of stockholders.

RESOLVED, the stockholders of Walgreens Boots Alliance request preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Walgreens' payments used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including amount of payment and recipient.
3. Walgreens' membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision process and Board oversight on payments described in number 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is 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 communication recipient to take action on that legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization in which Walgreens holds membership. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Walgreens' website.

Supporting Statement: As stockholders, we encourage transparency and accountability in use of corporate funds to influence legislation and regulation. Walgreens' website under "Public Policy and Political Activities" provides limited information on lobbying and public policy advocacy. In contrast, peers CVS and Express Scripts publish clear policies and payments for political contributions and lobbying, as well information on trade association participation. We believe Walgreens strives to be responsible regarding environment, health and employee relations but investors are unaware if our corporate goals are reflected in our lobbying activities and expenditures.

Additionally, CVS withdrew membership in the U.S. Chamber of Commerce when the NYT exposed Chamber lobbying internationally to protect tobacco interests. Does Walgreens evaluate whether its trade associations are taking responsible positions on issues such as climate change, drug pricing and smoking?

Walgreens spent \$5.44 million in 2014 and 2015 on direct federal lobbying activities (opensecrets.org). This figure omits lobbying expenditures to influence legislation in states, where Walgreens also lobbies but disclosure is uneven or absent. For example, in 2015 Walgreens lobbied in some 29 states (National Institute on Money in State Politics) and spent more than \$360,000 lobbying in California, New Jersey and Texas.

Also, Walgreens belongs to the Business Roundtable, which spent more than \$34 million on lobbying in 2014 and 2015. To repeat, Walgreens does not disclose memberships, payments to trade associations, or amounts used for lobbying and lags its peers, CVS Caremark and Express Scripts.

Transparent reporting would reveal whether company assets are deployed for objectives contrary to Walgreens' long-term interests.

### Lobbying Expenditures Disclosure

#### Monsanto

WHEREAS: Corporate lobbying exposes our company to risks that could adversely affect the company's stated goals, objectives, and ultimately shareholder value.

We rely on the information provided by our company to evaluate its goals and objectives. Therefore, we have a strong interest in full disclosure to assess whether our company's lobbying is consistent with its expressed goals and is in the best interests of shareowners and long-term value.

BE IT RESOLVED: The shareowners of Monsanto 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. All payments by Monsanto 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. Monsanto's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. 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 Monsanto 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 Monsanto's website.

Supporting Statement: As shareowners, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. Absent a system of accountability, company assets could be used for objectives contrary to Monsanto's long-term interests.

We commend the increases in disclosure made by Monsanto after shareholders voted on this proposal in January 2015, including the disclosure of trade association memberships exceeding \$50,000 annually and the portions used for lobbying. However, Monsanto has not achieved a sufficient level of disclosure to fully inform shareholders. For example, Monsanto does not disclose all trade association memberships; publish previous years' trade association memberships on its website; disclose state lobbying; or report on memberships in or contributions to tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council, where Monsanto has been identified as previously belonging.

Monsanto's lobbying has been controversial ("Food Industry Enlisted Academics in G.M.O. Lobbying War, Emails Show", New York Times, 9/5/15). Monsanto spent \$8.45 million in 2014 and 2015 on direct federal lobbying (opensecrets.org). These figures do not include lobbying expenditures in states; Monsanto spent over \$58,000 lobbying in California for 2014 ([www.calaccess.ss.ca.gov](http://www.calaccess.ss.ca.gov)).

We encourage our Board to require comprehensive disclosure related to direct, indirect, and grassroots lobbying.

### Lobbying Expenditures Disclosure

#### Johnson & Johnson

WHEREAS, we believe in full disclosure of JNJ's direct and indirect lobbying activities and expenditures to assess whether JNJ's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Johnson & Johnson ("JNJ") request 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 JNJ used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of payment and recipient.
3. Description of management's decision making process and 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 JNJ is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on JNJ's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in use of corporate funds to influence legislation and regulation. JNJ spent \$12.33 million in 2014 and 2015 on federal lobbying (opensecrets.org). This figure does not include all lobbying expenditures. JNJ also lobbies in 47 states to influence state legislation ("Amid Federal Gridlock, Lobbying Rises in the States," Center for Public Integrity, February 11, 2016), but disclosure is uneven or absent. JNJ's lobbying on painkillers has attracted media scrutiny ("Lobbyists Work against Opiate Reforms," Associated Press, September 19, 2016).

JNJ is a member of the Pharmaceutical Research and Manufacturers of America (PhRMA) and gave \$5.86 million to PhRMA to fight a California pricing initiative ("J&J Is Largest Contributor to Pharma Lobbying Group Opposing California Ballot Question," New Brunswick Today, December 30, 2015). JNJ is also a member of the Chamber of Commerce, which has spent over \$1.2 billion on lobbying since 1998. JNJ does not disclose payments to trade associations, or amounts used for lobbying. We are concerned that JNJ's lack of trade association lobbying disclosure, coupled with potential negative publicity for funding PhRMA's opposition to lower drug price initiatives, presents reputational risks for JNJ.

We also question if JNJ's membership in the Chamber is consistent with JNJ's values. For example, JNJ promotes a tobacco-free culture of health, yet the Chamber has worked to block global antismoking laws ("U.S. Chamber Fights Smoking Laws While Hospitals and Insurers Sit on Its Board," New York Times, July 1, 2015). And JNJ recognizes risks posed by climate change, yet the Chamber has sued the EPA to block the Clean Power Plan.

### Lobbying Expenditures Disclosure

#### Aetna

*Similar resolutions were submitted to Anthem, Inc., Comcast Corp., Devon Energy, Goodyear Tire & Rubber Co., Honeywell International Inc., Nucor Corporation, Oracle Systems Corp., Tyson Foods, Inc., Vertex Pharmaceuticals Incorporated*

WHEREAS, we believe full disclosure of Aetna's direct and indirect lobbying activities and expenditures is required to assess whether Aetna's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Aetna 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 Aetna 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. Aetna's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision making process and oversight by management and the Board 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 Aetna 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 Aetna's website.

Supporting Statement: We encourage transparency in the use of corporate funds to influence legislation and regulation. Aetna spent approximately \$5.63 million in 2014 and 2015 on federal lobbying. Aetna reports spending \$10.93 million in 2014 and 2015 on state lobbying, yet provides no information by state. Aetna's lobbying on a merger with Humana has attracted media scrutiny ("Aetna, Cigna Boost Spending on Lobbyists," Connecticut Mirror, January 11, 2016).

Aetna belongs to the Chamber of Commerce, which has spent over \$1.2 billion on lobbying since 1998. Aetna discloses its trade association dues and amounts of its dues used for lobbying on its website, but this fails to capture all payments, despite a 2007 shareholder agreement to do so ("Why Mandate Disclosure? Because Corporations Lie on Voluntary Political Transparency," The Nation, March 29, 2013). This loophole allows Aetna to make additional payments beyond dues that can be used for lobbying, yet not be disclosed to shareholders. Aetna has previously made undisclosed trade association payments beyond dues that were used for lobbying ("Oops! Aetna Discloses Political Donations," CNN, June 15, 2012). We are concerned that this disclosure loophole presents reputational risks.

We also question if Aetna's membership in the Chamber is consistent with Aetna's values and presents reputational risks on the issues of improving health. For example, Aetna supports smoking cessation, yet the Chamber has worked to block global antismoking laws ("U.S. Chamber Fights Smoking Laws While Hospitals and Insurers Sit on Its Board," New York Times, July 1, 2015).

### Lobbying Expenditures Disclosure

CenturyLink, Inc.

*A similar resolution was submitted to First Energy.*

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether our company's lobbying is consistent with CenturyLink's expressed goals and in the best interests of shareholders.

RESOLVED, the stockholders of CenturyLink 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 CenturyLink 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 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 CenturyLink is a member.

Both "direct and indirect lobbying" and "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 CenturyLink is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state, and federal levels.

This report shall be presented to the Audit Committee or other relevant oversight committees and posted on CenturyLink's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in CenturyLink's use of corporate funds to influence legislation and regulation, both directly and indirectly. According to Senate reports, CenturyLink spent more than \$15,000,000 between 2012 and 2015 on federal lobbying activities (OpenSecrets.org). This figure does not include lobbying expenditures to influence legislation in 38 states where CenturyLink lobbies, for Lobbying and Political Contributions which disclosure is uneven or absent.

Absent a system of accountability, company assets could be used for objectives contrary to CenturyLink's long-term interests, such as lobbying on issues impacting the company's inmate calling services operations, which could expose the company to greater reputational and regulatory risk.

### Lobbying Expenditures Disclosure – Climate

United Parcel Service, Inc.

WHEREAS, businesses have a recognized legal right to express opinions to legislators and regulators on public policy matters.

We believe in full disclosure of our company's lobbying activities and expenditures to assess whether our lobbying is consistent with UPS's expressed goals and in the best interests of shareholders.

RESOLVED: the shareholders of United Parcel Service ("UPS") request the Board prepare a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. 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.
3. UPS's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision making process and oversight by management and the Board 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 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 Audit Committee or another relevant Board committee and posted on the company's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in the use of staff time and corporate funds to influence legislation and regulation both directly and indirectly. We appreciate UPS updating the website's disclosure on political spending and lobbying but crucial information on UPS's payments used for lobbying through trade associations is still secret.

UPS spent approximately \$35.3 million in 2010 to 2015 on direct federal lobbying activities. (Senate Reports). These figures may not include grassroots lobbying to directly influence legislation by mobilizing public support or opposition and do not include lobbying expenditures in states that do not require disclosure.

For example, UPS does not disclose or explain to investors its contributions to the highly controversial American Exchange Legislative Council (ALEC) which adopted "model legislation" opposing renewable energy regulations and laws for states. UPS sits on ALEC's Private Enterprise Board.

Over 100 companies have left ALEC because of its controversial positions including BP, Coca Cola, General Electric, Google, Johnson & Johnson, McDonalds, Procter & Gamble, Shell, Unilever and Wal-Mart.

Finally, UPS sits on the Board of the U.S. Chamber of Commerce, which spent over \$1.2 billion lobbying since 1998. The Chamber is aggressively attacking the EPA and has sued to block the Clean Power Plan which addresses climate change. We urge UPS to utilize its role as a prominent Chamber Board member to challenge the Chamber's negative climate policy.

### Lobbying Expenditures Disclosure – Climate

Disney (Walt) Company / ABC

*Similar resolutions were submitted to AT&T Inc., Calpine Corporation, Caterpillar Inc., Chevron Corp., Cisco Systems, Inc., Dominion Resources, Inc., Duke Energy Corp., Exxon Mobil Corporation, Motorola Solutions Inc, Pfizer, Inc.*

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Disney's lobbying is consistent with Disney's expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of The Walt Disney Company ("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. Disney'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 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 Audit Committee or other relevant oversight committees and posted on Disney's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. Disney spent \$7.18 million in 2014 and 2015 on federal lobbying (opensecrets.org). This figure does not include lobbying expenditures to influence legislation in states, where Disney also lobbies but disclosure is uneven or absent. For example, Disney spent \$1,164,485 on lobbying in California from 2013 – 2015, and Disney's lobbying in Florida has attracted media attention ("Florida's Mouse behind the Curtain," Politico, June 18, 2015).

Disney is listed as a member of the National Restaurant Association, which spent \$6.8 million lobbying in 2014 and 2015. And according to the Chamber of Commerce ("Chamber") website, Disney joined as a member in 1922. Yet shareholders have no way of knowing if Disney currently belongs to the Chamber, which has spent over \$1.2 billion on lobbying since 1998. Disney does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Disney will disclose its non-deductible trade association payments used for political contributions, but this does not include payments used for lobbying. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions. Transparent reporting would reveal whether company assets are being used for objectives contrary to Disney's long-term interests. For example, Disney signed the American Business Act on Climate Pledge, yet the Chamber has sued to block the EPA Clean Power Plan to address climate change.



### Lobbying Expenditures Disclosure – Climate

Emerson

WHEREAS, Investors are increasingly concerned about corporate lobbying at all levels, including through trade associations. Emerson Electric (“Emerson” or “the Company”) does not disclose its memberships in, or payments to, trade associations, or the portions of such amounts that are used for lobbying. Further disclosure by the Company is necessary to determine whether Emerson’s lobbying activity is consistent with its expressed goals, is in the best interests of shareholders, and supports longterm value.

RESOLVED, Emerson shareholders request the preparation of an annual report, including the following:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Emerson 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 the decision making process and oversight by management and the Board 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 Emerson is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state, and federal levels. Neither “lobbying” nor “grassroots lobbying communications” include efforts to participate or intervene in any political campaign or to influence the general public, or any segment thereof, with respect to an election or referendum.

The report shall be presented to the Audit Committee, or other relevant oversight committees, and be posted on Emerson’s website.

Supporting Statement: In 2014 and 2015, Emerson spent a total of \$1.04 million on direct federal lobbying activities, according to disclosure reports. This figure may not include grassroots lobbying to directly influence legislation and does not include state-level expenditures, where Emerson also lobbies, but disclosure is uneven or absent.

Without transparency and accountability, Company assets could be used for objectives contrary to the long-term interests of Emerson and/or its shareholders.

For example, Emerson serves on the boards of the U.S. Chamber of Commerce (the Chamber) and the National Association of Manufacturers (NAM) which have taken controversial policy positions that may be misaligned with the Company’s business interests and stated Environmental Principles. In the past, the Chamber and NAM have questioned the science of climate change and sued the Environmental Protection Agency to block the implementation of the Clean Power Plan. However, Emerson does not disclose its payments to the Chamber or NAM, nor the portion of the Company’s payments used for lobbying.

For the past three years, Emerson shareholders have voted on this proposal and each time around 40 percent of the shares voted have supported it. We urge the Board to respond by instituting comprehensive lobbying disclosure.

### Lobbying Expenditures Disclosure – Climate

Alphabet, Inc.

*A similar resolution was submitted to International Business Machines Corp. (IBM).*

WHEREAS, we believe it is important that Alphabet's lobbying positions, and processes to influence public policy, are transparent. Public opinion is skeptical of corporate influence on Congress and public policy, and controversial lobbying activity may pose risks to our company's reputation.

Alphabet spent approximately \$80 million between 2010 and 2015 on federal lobbying, according to Senate reports. And this figure may not include grassroots lobbying to influence legislation by mobilizing public support or opposition and does not include lobbying expenditures to influence legislation in all states.

RESOLVED, the shareholders of Alphabet request the Board prepare a report, updated annually, and 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 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 Alphabet is a member.

"Direct and indirect lobbying" and "grassroots lobbying communications" include efforts at local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant Board oversight committees and posted on Alphabet's website.

Supporting Statement: We commend Alphabet for present disclosure on its website on political spending and lobbying but the website still does not disclose details about payments used for lobbying by trade associations.

For example, the Chamber of Commerce spent well over \$1.2 billion in lobbying since 1998, yet Alphabet's level of funding of the Chamber is secret. The Chamber has also sued the EPA for its climate advocacy and is aggressively attacking the EPA for its new Clean Power Plan combatting climate change. We urge Alphabet to utilize its role as a prominent member to challenge the Chamber's climate policy and call for an end of its attack on the EPA.

In contrast, Alphabet's website publicly affirms its commitment to "protecting the environment", a message we strongly support.

In September 2014 Chair Eric Schmidt stated on NPR Alphabet had ended membership in ALEC, an organization that assists legislators and companies to promote model legislation. One high ALEC priority aims to repeal State renewable energy legislation and to assist States in opposing the Clean Power Plan. Chair Schmidt argued ALEC was "literally lying" about climate. We commend Alphabet for this act of leadership.

It is a logical next step for Alphabet to expand public disclosure about third-party lobbying.

### Lobbying Expenditures Disclosure – Climate

Travelers Companies, Inc.

WHEREAS, we believe in full disclosure of Travelers' direct and indirect lobbying activities and expenditures to assess whether Travelers' lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareowners of The Travelers Companies, Inc. ("Travelers") 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 Travelers 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. Travelers' 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 Travelers 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 Travelers' website.

Supporting Statement: As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation. Travelers spent \$6.14 million in 2014 and 2015 on federal lobbying (opensecrets.org). This figure does not include lobbying expenditures to influence legislation in states, where Travelers also lobbies but disclosure is uneven or absent. For example, Travelers spent \$120,000 on lobbying in California for 2014 and 2015.

Travelers is a member of the Chamber of Commerce, which has spent more than \$1.2 billion on lobbying since 1998. Travelers also belongs to the Business Roundtable, which spent over \$34 million on lobbying in 2014 and 2015. A Travelers' director's ties to the Business Roundtable has attracted media scrutiny ("Lobbyists as Directors Test Rules for Corporate Boards," Wall Street Journal, October 4, 2016).

Travelers does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to Travelers' long-term interests. For example, as a large property and casualty insurer, Travelers is exposed to many risks from climate change ("Report: The Hartford, Travelers Taking Climate Change Seriously," Hartford Courant, October 20, 2016). Yet the Chamber has sued to block the EPA Clean Power Plan to address climate change. We are concerned that Travelers' membership in the Chamber presents reputational risks on the issue of climate change.

This proposal received approximately 44 percent support in 2016 out of votes cast for and against. We urge support for this proposal.

### Lobbying Expenditures Disclosure – Climate

Royal Bank of Canada

RESOLVED, the shareholders of Royal Bank of Canada ("RBC") request the preparation of a report, updated annually, disclosing:

1. RBC policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by RBC 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 of directors' decision making process and oversight for making payments described in sections 2 and 3 above.

For the purposes of this shareholder 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 RBC is a member. Both "direct lobbying" and indirect lobbying" and "grassroots lobbying communications" include efforts to influence public policy at the local, provincial and national levels.

The report shall be presented to the Audit Committee or other relevant RBC oversight committees and posted on RBC's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in RBC's use of corporate funds to influence legislation and regulation. In the twelve months ending October 28, 2016 RBC lobbied the Canadian federal government forty seven times. According to OpenSecrets.org, RBC spent US\$860,000 lobbying the US Congress in the first ten months of 2016. These figures do not include lobbying to influence policy in state, provincial and local jurisdictions.

RBC is a member of the Business Council of Canada, the Canadian Bankers Association, the Securities Industry and Financial Markets Association. RBC does not disclose its memberships in, or payments to, trade associations, or the portions of such amounts used for lobbying. However, a September 2016 report by SHARE (see [http://share.ca/documents/investor\\_briefs/Social/2016/Corporate\\_Donations\\_to\\_Canadian\\_Think-Tanks.pdf](http://share.ca/documents/investor_briefs/Social/2016/Corporate_Donations_to_Canadian_Think-Tanks.pdf)) identifies RBC as a sponsor of the Fraser Institute. The Fraser Institute has been linked to the Koch Brothers and more recently has been exposed as part of the network of climate change denial funded by Exxon (see <http://www.nationalobserver.com/2015/11/06/news/exxon-under-investigation-nyhistoric-climate-denial>).

Payments to organizations that pursue agendas contrary to RBC's stated vision "To be among the world's most trusted financial institutions" may pose additional risks to shareholder value. Transparent reporting would reveal whether company assets are being used for objectives contrary to RBC's long-term interests.

Lobbying expenditures can potentially involve RBC in controversies posing reputational risks. Grassroots lobbying is another type of lobbying expenditure that RBC does not disclose.

We encourage our Board to require comprehensive disclosure related to direct, indirect and grassroots lobbying.

### Lobbying Expenditures Disclosure – Climate

#### Ford Motor Company

*Similar resolutions were submitted to Bank of America Corp., ConocoPhillips, General Electric Company.*

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Ford's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Ford Motor Company ("Ford") 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 Ford 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 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 Ford 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 Ford's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. Ford spent over \$8.72 million in 2014 and 2015 on direct federal lobbying activities (opensecrets.org). This figure does not include lobbying expenditures to influence legislation in states, where Ford also lobbies but disclosure is uneven or absent. For example, Ford spent \$715,542 on lobbying in California in 2014 and 2015. Ford's lobbying over driverless cars has attracted media attention ("Ford's Driverless-car Path Will Run through Washington," The Detroit News, August 18, 2016).

We commend Ford for ending its membership in the American Legislative Exchange Council (ALEC) in 2016 ("Ford & LEGO Gang Up On Climate-Denying ALEC," CleanTechnica, February 20, 2016). However, serious disclosure gaps remain. Ford sits on the board of the Chamber of Commerce, which has spent more than \$1.2 billion on lobbying since 1998. Ford does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Absent a system of accountability and disclosure, corporate assets may be used for objectives that pose risks to the company. For example, Ford is "committed to advocating for effective and appropriate climate change policy," yet the Chamber has sued to block the EPA Clean Power Plan to address climate change.

We are concerned that Ford's current lack of trade association lobbying disclosure presents reputational risk. Transparent reporting would reveal whether company assets are being used for objectives contrary to Ford's long-term interests.

## Water

**8**  
more resolutions  
than in 2016

Across the globe, 748 million people lack access to safe, clean drinking water. As a result, corporate water use and impacts are carefully scrutinized by investors and communities. ICCR's investors press for improved corporate water stewardship to safeguard local communities' human right to water from corporate over-consumption and/or pollution. This year's water resolutions focused on pollution produced by the meat and poultry industry through farming and production, the water impacts of coal-fired power plants, and safe drug disposal to prevent water contamination. Investors have also launched a campaign in support of the Standing Rock Sioux Tribe's resistance to the Dakota Access Pipeline Project (DAPL), with resolutions that challenged banks on their financing of the project, and underscored the need for greater human rights due diligence.

Filings on water-related issues doubled this year (16 versus 8), due in large part to investor interest in DAPL.



Proposal Topic	Quantity
<b>Water</b>	<b>16</b>
Environmental and Human Rights Due Diligence – DAPL <b>NEW</b>	3
Human Right to Water	3
Indigenous Peoples Rights: Financing Oil Projects – DAPL <b>NEW</b>	3
Safe Disposal of Prescription Drugs – Prevent Water Pollution	3
Water Impacts of Business Operations	4

### **NEW** Environmental and Human Rights Due Diligence – DAPL

The Dakota Access Pipeline Project (DAPL) is a \$3.78 billion, 1,172 mile long pipeline that seeks to connect the Bakken fields in North Dakota with existing pipelines in Illinois to transport up to 570,000 barrels a day of crude to refineries and markets in the Gulf and on the East Coast. It would run under the Missouri river and through tribal territory belonging to the Standing Rock Sioux near Cannon Ball, North Dakota, disturbing sacred sites, and infringing on tribal sovereignty. The pipeline also poses a significant danger to the tribe's water supply since it passes underneath the Missouri River — the main source of water for the reservation.

This year investors filed 3 resolutions asking Enbridge, Marathon Petroleum and Phillips 66 to report on the due diligence processes they use when reviewing potential acquisitions to identify and address social and environmental risks, including Indigenous rights risks.



“Through much of 2016 responsible investor organizations have been working with Standing Rock Sioux Tribe representatives to engage the companies involved in the Dakota Access Pipeline project (DAPL).

The Standing Rock Sioux Tribe is deeply concerned about the impact of DAPL on its sacred sites, burial grounds, and, in the event of a spill or leak, its drinking water source. The Tribe and federal agencies raised alarms about inadequate Indigenous consultation and environmental review of the project as originally approved. For months Indigenous peoples and supporters from around North America congregated at Standing Rock to support the Tribe in blocking DAPL.

This situation demonstrates the importance of conducting business in line with the United Nations Declaration on the Rights of Indigenous Peoples, including ensuring the Free Prior and Informed Consent (FPIC) of Indigenous Peoples for any activities or decisions that would affect them or their lands, territories and resources. Understanding and implementing FPIC is imperative for businesses operating in North America.

Indigenous rights and FPIC are relevant at all stages of business, including financing and acquisition decisions. Investors are asking the companies that agreed to acquire an interest in DAPL to report on their due diligence process for identifying and addressing social and environmental risks, and in particular Indigenous rights risks, when reviewing acquisitions.”

**Delaney Greig, Engagement Analyst,  
Shareholder Association for Research and Education (SHARE)**

### **NEW** Indigenous Peoples Rights: Financing Oil Projects – DAPL

Goldman Sachs, Morgan Stanley and Wells Fargo provided financing to the companies—Sunoco Logistics, Energy Transfer Partners, and Energy Transfer Equity – that collaborated to build the Dakota Access Pipeline.

Shareholders asked the banks to describe their financing of companies involved in the pipeline, and clarify how or whether their Indigenous rights policies were applied.



### Water Impacts of Business Operations – Livestock & Meat Processing

Livestock farms and meat processing plants produce toxic wastewater that is either directly discharged under permit into surface water or is sprayed on fields, presenting a threat to groundwater and surface water. Excrement from animal waste cesspools can seep through the soil into groundwater or overflow storage pits during storms, while runoff from animal waste can poison drinking water and aquatic ecosystems, endangering human health and nearby wildlife. Investors are pressing corporations in the food industry to practice good water stewardship.

Again this year investors asked meat producer Tyson to reduce risks of water contamination at its company-owned facilities, facilities under contract, and company suppliers. Hormel and Pilgrim's Pride received similar resolutions.

### Human Right to Water

While ICCR members first filed on the topic of the human right to water in 2008, this year's resolutions represent a new variation, and target water utilities specifically. Shareholders are concerned about water shortages and water quality deterioration due to leakage from pipes, high contaminant levels, and infrastructure failures.

As a result this year investors filed with 3 water utilities. American States Water and California Services Water were asked to adopt policies expressing a commitment to the human right to water. American Water Works was asked to report on progress in implementing its existing HRtW policy.

### Safe Disposal of Prescription Drugs – Prevent Water Pollution

Consumers lacking convenient drug disposal programs often flush their old drugs down the drain or toilet, which contributes to water pollution. Studies have found detectable levels of pharmaceuticals – a pollutant water treatment plants are not equipped to remove—in both surface and groundwater drinking sources.

Investors once again asked AbbVie and Johnson & Johnson to review their policies for safe disposal of prescription drugs to prevent water pollution, and establish policy options for a proactive response to the problem. Investors also filed a first-year resolution at Pfizer.

### Water Impacts of Business Operations – Coal Ash

Energy utility AMEREN disposes of its coal ash waste in coal ash ponds in the Missouri River flood plain. Coal combustion residual (CCR)—a primary ingredient of this ash—is a by-product of burning coal and contains arsenic, mercury, lead and other heavy metals and toxins. Leaks from AMEREN's ponds have contaminated nearby groundwater, prompting multiple lawsuits from local residents.

Shareholders asked the company to identify and reduce the environmental and health hazards associated with its past, present and future handling of coal combustion residuals.



### Environmental and Human Rights Due Diligence – DAPL

**NEW**

#### Marathon Petroleum

*A similar resolution was submitted to Phillips 66.*

WHEREAS: The construction and operation of energy infrastructure in North America requires respect for rigorous standards of environmental review and practice, and impacted Indigenous Peoples.

Environmental and human rights due diligence are essential to assessing the full risk of an asset acquisition. Where such risks are not adequately considered, decisions can be made that lead to reputational, regulatory and financial loss.

The UN Declaration on the Rights of Indigenous Peoples sets out international standards for Indigenous Peoples' rights including the right to Free, Prior, and Informed Consent prior to the approval of any projects affecting their traditional territory. Human rights due diligence expectations are outlined in principles 17 to 21 of the UN Guiding Principles on Business and Human Rights.

Marathon Petroleum (Marathon) has invested \$1 billion in the Bakken Pipeline Project consisting of the Dakota Access Pipeline (DAPL) and Energy Transfer Crude Oil Pipeline via a joint venture with a subsidiary of Enbridge, Inc.. that together own 36.75% of the Bakken Pipeline Project.

Marathon's investment pales, however, in the face of potential environmental liability and loss of reputation from a catastrophic pipeline failure. The pipeline's operator, Energy Transfer Partners (ETP), has a poor environmental record, with pending water contamination lawsuits in New Jersey, Vermont, Pennsylvania, Louisiana, and Puerto Rico.

The agreement to acquire its ownership in DAPL was reached on August 2, 2016, five days after the project was approved by the US Army Corps of Engineers and eight days before the Standing Rock Sioux Tribe (SRST) began its blockade to stop construction. However, in the months preceding this agreement, the SRST, as well as three federal agencies, raised concerns about the lack of tribal consultation and the inadequacy of the environmental impact review. At the time of this agreement, proponents believe that Marathon and its shareholders should have been aware of the risks posed by these concerns.

Since August, the conflict has escalated as DAPL construction continued despite the Obama Administration's request that ETP voluntarily pause construction within 20 miles of Lake Oahe. The alleged use of force towards peaceful protesters is generating negative media coverage while further jeopardizing DAPL's social license to operate. ETP reports losses of \$1.4 billion in a year if delays continue.

RESOLVED: Marathon prepare a report to shareholders, at reasonable cost and omitting proprietary information, that describes the due diligence process used to identify and address environmental and social risks, including Indigenous rights risk, in reviewing potential acquisitions. Such a report should consider:

Which committees, departments and/or managers are responsible for review, oversight and verification;

- How environmental and social risks are identified and assessed;
- Which international standards are used to define the company's due diligence procedures;
- How this information informs and is weighted in acquisition decisions;
- If and how risks identified were disclosed to shareholders;
- Whether the company has an exit option in DAPL;
- Whether Marathon will adjust its policies and practices so as to not become entangled with such situations in the future.

### Environmental and Human Rights Due Diligence – DAPL

**NEW**

Enbridge Inc.

WHEREAS, the construction and operation of energy infrastructure in North America requires accommodation of impacted Indigenous Peoples and rigorous standard of environmental review and practice.

In 2015 and 2016 Enbridge Inc. made a number of acquisitions and the company has stated that acquisitions may comprise a component of its growth and diversification plan to 2019.

Human rights and environmental due diligence are essential to assessing the full risk of an asset acquisition. Where such risks are not adequately considered, acquisition and investment decisions can lead to reputational damage, regulatory intervention and/or financial loss.

The United Nations Declaration on the Rights of Indigenous People (UNDRIP) sets out International standards for Indigenous Peoples' rights including the right to Free Prior Informed Consent prior to the approval of any projects affecting their traditional territory. Human rights due diligence expectations are outlined in principles 17 to 21 of the United Nations Guiding Principles on Business and Human Rights. As a signatory to the United Nations Global Compact, Enbridge has committed to respecting UNDRIP and the UN Guiding Principles.

On August 2 2016, Enbridge announced that its U.S. vehicle Enbridge Energy Partners had reached an agreement through which it would acquire a 27.5 per cent interest in the Dakota Access Pipeline project ("DAPL").

Prior to this agreement, in March and April of 2016, the Standing Rock Sioux, other Native American tribes, and three US federal departments, the Environmental Protection Agency, Department of the Interior and the Advisory Council on Historic Preservation wrote to the Army Corp of Engineers raising concerns about the adequacy of Tribal consultation and environmental assessment on the DAPL. The Departments' and the Tribes stated that the Army Corps' environmental assessment failed to address the impacts of the project on reservation lands, sacred sites and the drinking water supply for the tribe much of North and South Dakota.

Five days before Enbridge announced the acquisition the Standing Rock Sioux filed a lawsuit challenging approval of the DAPL on similar grounds. Eight days after it was announced conflict between DAPL security forces and Native American Peoples began.

At the time of the agreement to acquire an interest in the DAPL Enbridge should have been aware of the Indigenous rights and environmental risks of the project.

RESOLVED that the Board of Enbridge Inc. prepare a report to shareholders, at reasonable cost and omitting proprietary information, detailing the due diligence process used by Enbridge, its affiliates and subsidiaries to identify and address social and environmental risks, including Indigenous rights risks, when reviewing potential acquisitions. Such a report will consider:

- which committees, departments and/or managers are responsible for review, oversight and verification;
- how Indigenous rights and concerns are identified and assessed;
- how environmental and human rights risks are identified and assessed;
- which international standards are used to guide the company's human rights and environmental due diligence procedures; and,
- how this information informs and is weighted in acquisition decisions.

### Indigenous Peoples Rights: Financing Oil Projects – DAPL

**NEW**

#### Wells Fargo & Company

RESOLVED, shareholders ask Wells Fargo & Company (WFC) to develop and adopt a global policy regarding the rights of indigenous peoples (the “policy”) which includes respect for the free, prior and informed consent of indigenous communities affected by WFC financing.

The policy should acknowledge rights of indigenous peoples to the following:

- property, culture, religion, and nondiscrimination in relation to lands, territories and natural resources, including sacred places and objects;
- health and physical well-being in relation to a clean and healthy environment;
- setting and pursuing their own priorities for development; and
- making authoritative decisions about external projects or investments.

The policy should include a description of WFC’s process for identifying, addressing, and periodically evaluating the impact of its business activities on:

- lands and natural resources subject to traditional ownership or under customary use;
- relocation of indigenous peoples from lands and natural resources they have traditionally owned or used; and
- cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of indigenous peoples’ lives.

The policy should include the oversight mechanisms for its continued development, evaluation and implementation, as well as the process by which indigenous peoples are consulted in developing the policy. The policy should describe the process by which the board of directors will monitor implementation of the policy. The policy should be posted on the WFC website by May 2018.

Supporting Statement: As long-term stockholders, we favor policies and practices that protect and enhance the value of our investments. There is increasing recognition that company risks related to the violations of indigenous peoples’ rights, such as reputational damage, project delays and disruptions, and litigation, can adversely affect shareholder value. For example, WFC has suffered reputational damage and loss of customers due to its funding of the Dakota Access Pipeline (“Environmentalists Target Bankers behind Pipeline,” New York Times, November 7, 2016, available at [http://www.nytimes.com/2016/11/08/business/energy-environment/environmentalists-blast-bankersbehind-dakota-pipeline.html?\\_r=0](http://www.nytimes.com/2016/11/08/business/energy-environment/environmentalists-blast-bankersbehind-dakota-pipeline.html?_r=0)).

We believe companies should adopt policies and processes to anticipate, mitigate, manage, and monitor the risks posed by violations of the rights of indigenous peoples in their operations. The importance of such policies is reflected in the United Nations Guiding Principles on Business and Human Rights approved by the UN Human Rights Council in 2011, which urge that “business enterprises should have in place ... a policy commitment to meet their responsibility to respect human rights... enterprises should respect the human rights of individuals belonging to specific groups or populations that require particular attention, where they may have adverse human rights impacts on them. In this connection, United Nations instruments have elaborated further on the rights of indigenous peoples ...” (<http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>)

We believe that an indigenous peoples’ rights policy would help WFC anticipate and mitigate such risks for future activities.

### Indigenous Peoples Rights: Financing Oil Projects – DAPL

**NEW**

Goldman Sachs Group Inc.

WHEREAS: As long-term Goldman Sachs stockholders, we favor policies and practices that protect and enhance the value of our company's investments. There is increasing recognition that violations of Indigenous peoples' rights presents risks for Goldman Sachs that can adversely affect shareholder value, including reputational damage, project delays and disruptions, litigation, and criminal charges.

Goldman Sachs has an Indigenous rights policy, stating "For transactions where the use of proceeds may have the potential to directly impact Indigenous peoples, we expect our clients to demonstrate alignment with the objectives and requirements of IFC Performance Standard 7 on Indigenous Peoples, including free, prior and informed consent." (Goldman Sachs Website) The IFC Performance Standard 7 is broad in scope and outlines detailed obligations for many aspects of Indigenous rights interactions, including principles of engagement; free, prior, and informed consent; mitigation and compensation; and development. (IFC)

Goldman Sachs provided financing to companies — Sunoco Logistics, Energy Transfer Partners, and Energy Transfer Equity – that collaborated to build the North Dakota Access Pipeline. The pipeline is planned to be built across Native American lands and waterways in North Dakota. However, it is unclear whether Goldman Sachs applied its Indigenous rights policies in its financing of companies involved in the construction of the North Dakota Access Pipeline. The oil pipeline's construction was opposed by Native Americans and allies, calling themselves "water protectors", who requested that the pipeline be rerouted to protect water quality. Such a rerouting was granted to a non-Native American community near Bismark, North Dakota due to the threat the pipeline posed to that community's water supply. (Bismark Tribune, August 2016)

Starting in September 2016, police forces and private security began committing human rights abuses against nonviolent protesters of the project including:

- Spraying nonviolent protestors with water in freezing temperatures, risking hypothermia.
- Use of exploding devices resulting in physical harm to nonviolent protestors, including the amputation of an arm.
- Use of dogs to attack nonviolent protestors, captured on video.
- Arrests of news media covering the protest, suppressing free speech.
- Mass arrests of protestors and use of excessive force.

RESOLVED: Shareholders request that Goldman Sachs prepare a public report on the North Dakota Access Pipeline, describing its financing of companies involved in the pipeline, how or whether its Indigenous rights policy was applied to the financing of such companies, and whether Goldman Sachs complied with its Indigenous rights policy in financing such companies. Building upon that analysis, shareholders request the report also consider policy options to improve implementation of its Indigenous rights policy, such as enhancing the risk metrics and due diligence process for reviewing financed companies' policies and practices for consistency with Goldman Sachs Indigenous rights policy, and mechanisms for engaging companies that fail to adhere to Goldman Sachs' Indigenous rights policy. Shareholders request the report be prepared at reasonable expense and exclude proprietary or legally privileged information.

## Indigenous Peoples Rights: Financing Oil Projects – DAPL

NEW

Morgan Stanley

WHEREAS: As long-term stockholders, we favor policies and practices that protect and enhance the value of our company's investments. There is increasing recognition that violations of indigenous peoples' rights presents risks for the Company that can adversely affect shareholder value, including reputational damage, project delays and disruptions, litigation, and criminal charges.

The United Nations Guiding Principles on Business and Human Rights urges that "business enterprises should have ... a policy commitment to meet their responsibility to respect human rights... [and] should respect the human rights of individuals belonging to specific groups or populations that require particular attention, where they may have adverse human rights impacts on them... "

Morgan Stanley has an indigenous rights policy applicable to the financing of specific projects in indigenous territories. The policy requires a project sponsor or borrower demonstrate, among other things, that a project has free, prior, and informed consent by affected indigenous peoples, and that the project avoids, reduces, or compensates for significant adverse impacts on traditional or customary lands under use by indigenous peoples. However, Morgan Stanley's policy does not address the broader financing of companies that may become involved in projects located in indigenous territories.

Morgan Stanley is financing three companies — Sunoco Logistics, Energy Transfer Partners, and Energy Transfer Equity — which have collaborated to build the North Dakota Access Pipeline across Native American lands and waterways in North Dakota. The oil pipeline's construction is opposed by Native Americans and allies who have requested that the pipeline be rerouted to protect water quality. The pipeline was previously rerouted around a non-Native American community near Bismark, North Dakota due to the threat it posed to that community's water supply. (Bismark Tribune, August 2016)

In late 2016, police forces and private security began committing human rights abuses against nonviolent protesters of the project:

- Spraying nonviolent protestors with water in freezing temperatures, risking hypothermia.
- Using exploding devices resulting in physical harm to nonviolent protestors, including the amputation of an arm.
- Arrests and suppression of free speech of news media covering the protest.
- Mass arrests of protestors and use of excessive force.

RESOLVED Shareholders request that Morgan Stanley prepare a report, at reasonable expense and excluding proprietary or legally privileged information, assessing how its indigenous rights policy could be extended to the financing of companies involved in energy, mining, oil and gas, and infrastructure (including pipelines, dams, roads, railroads) operations, where such companies are currently, or might in the future be, involved in projects located in indigenous territories, even if those projects are not directly financed by our company. Policy options considered in the report should include, for instance, review of the financed companies' due diligence policies or practices for consistency with Morgan Stanley's project-financing commitments such as consent and impact avoidance and mitigation.

### Water Impacts of Business Operations

Tyson Foods, Inc.

*Similar resolutions were submitted to Hormel Foods Corp., Pilgrim's Pride Corp.*

Tyson Foods is exposed to regulatory, reputational, and financial risk associated with water pollution from animal feed and byproducts through its direct operations, contract farms, and feed suppliers.

The cultivation of feed ingredients for average weekly production of 35,529,000 livestock requires fertilizer inputs that can contribute to nutrient pollution if improperly managed. Animal waste from direct operations and over 11,000 independent or contract farmers may contain nutrients, antibiotic-resistant bacteria and pathogens, and pharmaceutical residue. These contaminants and poor manure disposal practices can contaminate local waterways, endangering the environment, workers, and public health (including contributing to “blue baby syndrome” and cancer).

The UN Human Right to Water ensures the right to sufficient, safe, acceptable and physically accessible and affordable water for personal and domestic uses. Contamination of water sources from Tyson operations and contract farms would interfere with this right. UN Sustainable Development Goal 6 includes a commitment to improve water quality by reducing pollution and minimizing release of hazardous chemicals.

Many of Tyson's 83 processing plants release huge volumes of toxic substances into waterways. In 2014, Tyson discharged over 20 million pounds of permitted toxic pollutants to waterways.<sup>1</sup> In 2015, Tyson paid a \$540,000 judgment in Missouri after a wastewater discharge caused a major “fish kill.” Tyson faces ongoing federal criminal investigation by the U.S. EPA into this incident, which could cost Tyson up to \$500 million annually if government contracts are suspended. In 2015, Tyson reported 117 wastewater permit exceedances, 29 notices of violation, and 11 chemical releases,<sup>2</sup> representing potential financial or legal liabilities.

There is a growing trend toward increased state regulation and oversight of animal production and water stewardship, including in Iowa, Washington, Wisconsin, Maryland, and Virginia, with tightened requirements related to manure disposal, field application of manure, and groundwater monitoring.

Wal-Mart, Tyson's largest customer with 16.8% of 2015 sales, uses a Sustainability Index to assess suppliers, which includes Key Performance Indicators on water, manure management, nutrient management, and fertilizer use.<sup>3</sup> Tyson competitor Perdue has launched a large-scale poultry litter recycling operation to prevent nutrient pollution.

Tyson's policies, contracts, and codes do not address water quality. Tyson's disclosure on water quality does not include its supply chain and contract farms. Shareholders cannot assess performance due to lack of metrics, goals, or information about management of contamination risks.

**RESOLVED:** Shareholders request the Board of Directors adopt and implement a water stewardship policy designed to reduce risks of water contamination at: Tyson-owned facilities; facilities under contract to Tyson; and Tyson's suppliers.

Supporting Statement: Proponents believe the water policy should include:

- Requirements for leading practices for nutrient management and pollutant limits;
- Financial and technical support to help implement the policy;
- Robust and transparent measures to prevent water pollution incidents;
- Specific time-bound goals to ensure conformance with the policy; and
- A transparent mechanism to regularly disclose progress on adoption and implementation of the policy.

1. Environment America, <http://www.environmentamerica.org/news/ame/report-tyson-1-water-polluter-among-agribusinesses>

2. <http://www.tysonsustainability.com/environment#Water>

3. [http://www.walmartsustainabilityhub.com/app/answers/detail/a\\_id/242](http://www.walmartsustainabilityhub.com/app/answers/detail/a_id/242); <https://www.sustainabilityconsortium.org/product-categories/>

### Water Impacts of Business Operations

#### AMEREN (Union Electric)

The World Economic Forum 2015 Global Risk Report ranked water as the top societal risk facing the world in terms of potential economic impact.<sup>1</sup> The Human Right to Water, formally recognized by the United Nations in 2010, clarifies that it is the responsibility of companies to ensure their operations to not infringe upon the right of individuals to sufficient, safe, acceptable and physically accessible and affordable water. This human right is further buttressed by the UN's Sustainable Development Goal 6, which includes a target for improving water quality by reducing pollution and minimizing the release of hazardous chemicals and materials.<sup>2</sup>

Coal combustion residual (CCR) is a by-product of burning coal and contains arsenic, mercury, lead and other heavy metals and toxins.

In October 2015, the EPA CCR Rule became effective, finalizing regulations to set minimum federal standards for CCR disposal. While Ameren has thus far filed the minimum information required by the CCR Rule, significant questions remain regarding risks posed by its lined and unlined ash ponds along the Mississippi and Missouri Rivers. In 2011, 46.7% of shareholders supported a resolution requesting a report on Ameren's efforts to identify and reduce environmental and health hazards associated with CCR. Ameren has responded with only general information that does not provide shareholders with adequate information regarding the risks associated with its coal ash disposal practices.

Ameren has not commenced routine groundwater monitoring at any of its ash ponds, many of which are unlined.

Ameren has not committed to removing coal ash from its ash ponds when it closes them, unlike other utilities in Missouri and elsewhere.

Where Ameren already knows of groundwater contamination caused by its ash ponds, there is no indication that it has taken steps to clean up existing contamination or provided meaningful estimates of future cleanup costs.

Ameren has submitted but not received third-party Verification for the CDP Water 2016 report:

Ameren's primary coal source is the Powder River Basin; Ameren continues to claim that PRB is not a water stressed area despite reports by World Resources Institute, World Business Council of Sustainable Development, and Global Water Tool to the contrary.

Despite its claims that "our facilities are located in an area of ample water supply," Ameren admits that if facilities would need to close due to lack of water availability, the financial impact would be 'medium-high.'

**RESOLVED:** Shareholders request that the Board prepare a complete report on the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals, and how those efforts may reduce legal, reputational and financial risks to the company. This report should be available to shareholders within 6 months of the 2017 annual meeting, be prepared at reasonable cost, and omit confidential information such as proprietary data or legal strategy.

1 "Insight Report, Global Risks, 2015: 10th Edition." WEF

2 UNSDG 6.3

### Human Right to Water

American Water Works, Inc.

WHEREAS, American Water Works (AWK) utilizes natural water resources for our company's livelihood, and water quality and quantity are vital for AWK's success;

At the time of this writing, the U.S. Drought Monitor reports that 55% of the contiguous U.S. is in drought, indicating the severity of the country's water stress;

Water service providers face significant risks associated with the human right to water, such as:

- Public criticism and water shortages or water quality deterioration due to water leakage from pipes, high contaminant levels, or infrastructure failures;
- Water shortages and quality issues due to climate change and drought conditions;
- Community pushback on water rate increases;

Share price depreciation due to perceived Company complicity in failing to provide water to elderly, ill, or young customers, including resultant health and sanitation concerns;

Shareholders appreciate that AWK has in place a policy entitled "Our Commitment to Human Rights," which includes a statement on the "Human Right to Water and Sanitation," however shareholders are concerned about risks to Company and shareholder value should our Company's actions fail to align with this policy;

Nonprofit groups and news sources have reported incidents involving AWK subsidiaries that implicate human rights concerns related to water quality, affordability, or accessibility. For example:

- Cave Creek, AZ customers alleged the water facilities were falling apart, resulting in three system-wide water outages (2007);
- Pennsylvania Public Utility Commission fined Pennsylvania American Water for failing to maintain and repair its facilities (2010);
- California American Water was fined \$390,000 for improper dumping of arsenic sludge (2014);
- EPA found uranium levels exceeded maximum contaminant level at Texas American Water Company's Greenwood Village Water System (2013);
- Monterey, CA: a citizen's group alleged that California American Water's long-term mismanagement of water resources and inability to secure new water resources cost ratepayers some \$100 million since 2004.

RESOLVED: Shareholders request that the Board of Directors annually report to shareholders, at a reasonable cost and omitting proprietary information, on progress toward implementation of the Company's "Commitment to Human Rights," including United Nations' identified rights to safe, sufficient, acceptable, and physically accessible water for personal drinking and sanitation use.

Shareholders recommend that the report include metrics for each of the preceding three years such as number of:

- customer grievances received;
- shutoffs completed, including average length of shutoff per customer;
- customers that have had their water shutoff for longer than 30 days;
- customers that experienced boil water warnings or other water quality issues, with personal demographics;
- customers that experienced water shortages.

Shareholders also recommend that the report include, to the extent available, demographics of customers that experienced shutoffs or shortages (e.g. age, race, ethnicity, number of children, elderly or ill in the home, income level).

Finally, the report should discuss company actions or policies to improve its human rights performance on these issues.



### Human Right to Water

#### American States Water Company

WHEREAS, American States Water Company utilizes natural water resources for our company's livelihood, and water quality and quantity are vital for our Company's success;

At the time of this writing, the U.S. Drought Monitor reports that 55% of the contiguous U.S. is in drought, indicating the severity of the country's water stress;

Water service providers face significant risks associated with the human right to water, such as:

- Public criticism and water shortages or water quality deterioration due to water leakage from pipes, high contaminant levels, or infrastructure failures;
- Water shortages and quality issues due to climate change and drought conditions;
- Community pushback on water rate increases;

Share price depreciation due to perceived Company complicity in failing to provide water to elderly, ill, or young customers, including resultant health and sanitation concerns;

On September 30, 2010, the UN Human Rights Council adopted a resolution affirming that access to water and sanitation are human rights. The United States joined the consensus in voting for this resolution;

The Company has already come under customer scrutiny has been reported in the news for incidents which indicate that the Company may have failed to adhere to the human right to water. These reports include:

- Complaints about black tap water from our subsidiary's Golden State Water Company water service which led to residents considering a class action lawsuit against the company, and the Los Angeles County Board of Supervisors stepping in to ask state water-regulatory agencies to intervene on Gardena's behalf after it was found that Golden State Water officials weren't satisfying the community's health and quality-of-life concerns (2015);
- Los Osos residents rallied to take over Golden State Water's local water service system due to rate increases totally approximately 50% over the preceding two years and concerns for rate increases long-term (2014);

Our company's continued operation without strong human rights and environmental policies pose serious risks to our reputation and share value if we are seen as responsible for or complicit in human rights violations, specifically the violation or erosion of the rights to sufficient, safe, acceptable, physically accessible and affordable water.

RESOLVED, the shareholders request the Board of Directors to create a comprehensive policy articulating our company's respect for and commitment to the human right to water.

Supporting Statement: Proponents believe the policy should elucidate American States Water Company's commitment to ensuring sustainable access to water resources, entitling everyone to sufficient, safe, acceptable, physically accessible and affordable water while operating our business.

### Human Right to Water

#### California Water Service Group

WHEREAS, California Water Service Group utilizes natural water resources for our company's livelihood, and water quality and quantity are vital for our Company's success;

At the time of this writing, the U.S. Drought Monitor reports that 55% of the contiguous U.S. is in drought, indicating the severity of the country's water stress. For California specifically, 73% is in moderate drought with 60% in severe and 42% in extreme drought;

Water service providers face significant risks associated with the human right to water, such as:

- Public criticism and water shortages or water quality deterioration due to water leakage from pipes, high contaminant levels, or infrastructure failures;
- Water shortages and quality issues due to climate change and drought conditions;
- Community pushback on water rate increases;

Share price depreciation due to perceived Company complicity in failing to provide water to elderly, ill, or young customers, including resultant health and sanitation concerns;

Specifically in states that we serve, it is reported that:

- In California, approximately one million people must drink and bathe with water that fails to meet national quality standards, yet they must pay high rates for this contaminated water. Contamination disproportionately affects rural, low-income minority communities;
- With California facing one of the most severe droughts on record, Governor Brown declared a drought State of Emergency in January 2015, illustrating the particularly worrisome risks of human right to water issues in California;
- In New Mexico, government refusal to clean up uranium contamination forces indigenous Navajo communities to choose between exposure to radiation and access to safe drinking water;

On September 30, 2010, the UN Human Rights Council adopted a resolution affirming that access to water and sanitation are human rights. The United States joined the consensus in voting for this resolution;

The state of our Company headquarters and the location of much of our customer base – California – has a Water Code which states that "It is hereby declared to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes";

Our company's continued operation without strong human rights and environmental policies pose serious risks to our reputation and share value if we are seen as responsible for or complicit in human rights violations, specifically the violation or erosion of the rights to sufficient, safe, acceptable, physically accessible and affordable water.

RESOLVED, the shareholders request the Board of Directors to create a comprehensive policy articulating our company's respect for and commitment to the human right to water.

Supporting Statement: Proponents believe the policy should elucidate California Water Service Group's commitment to ensuring sustainable access to water resources, entitling everyone to sufficient, safe, acceptable, physically accessible and affordable water while operating our business.

### Safe Disposal of Prescription Drugs – Prevent Water Pollution

Johnson & Johnson

*Similar resolutions were submitted to AbbVie, Pfizer, Inc.*

WHEREAS: Lack of free, convenient programs for proper disposal of unneeded or expired consumer prescription drugs and accessories contributes to water pollution, illicit drug use, drug addiction, and threats to sanitation workers.

Consumers lacking drug disposal programs in their communities often flush old drugs down the drain or toilet, contributing to water pollution. Numerous studies have found detectable levels of pharmaceuticals in surface and groundwater drinking water sources. Water treatment plants are not equipped to remove such medicines. The U.S. Environmental Protection Agency advises consumers not to flush prescription drugs, but to return medications to a disposal or take back program.

In 2014, overdoses from prescription pain medications killed more than 18,000 Americans. President Obama has said that most young people who begin misusing prescription drugs get them from the medicine cabinet. Lack of convenient disposal programs for prescription drugs has been linked to poisoning of children and pets; misuse by teenagers and adults; and seniors accidentally taking the wrong medicine. About 3 billion needles are used in U.S. homes annually to deliver medication; their improper disposal leads to needles washing up on beaches and threats to sanitation workers handling waste with used needles.

Most U.S. communities lack free, convenient, on-going collection programs that could help alleviate these critical problems. The Drug Enforcement Administration has partnered with state and local law enforcement agencies to hold periodic National Take-Back Days for medicines, collecting and disposing of more than 5.5 million pounds of medications in just ten events. But far more convenient and ongoing collection services are needed. The National Drug Control Strategy report calls for establishment of long-term, sustainable disposal programs in communities.

The concept of producer responsibility calls for company accountability for financing take back of unneeded or expired medications and accessories by the companies that have placed them on the market. Several states have enacted regulations requiring manufacturers of paint, pesticides, and electronics to develop programs for take back and proper recycling or disposal. The province of Ontario, Canada enacted a regulation in 2012 assigning responsibility for end-of-life management of pharmaceutical waste to manufacturers. Many European countries have industry-funded drug take back programs. While the company has published detailed social responsibility statements on issues like climate change and biodiversity, it has not issued a position on this escalating policy area.

RESOLVED: Shareowners of Johnson & Johnson request that the board of directors issue a report, at reasonable expense and excluding proprietary information, reviewing the company's existing policies for safe disposition by users of prescription drugs to prevent water pollution, and setting forth policy options for a proactive response, including determining whether the company should endorse partial or full industry responsibility for take back programs by providing funding or resources for such programs.

Supporting Statement: Management may also consider other harms besides water pollution in evaluating take back programs, and whether, in addition to addressing disposition of prescription drugs, such programs should encompass accessories such as used needles and syringes.

### A Guide to Filing Resolutions

Shareholder advocacy, also known as active ownership, 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.

Visit ICCR's website ([www.iccr.org](http://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" as 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 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 [www.proxyvote.com](http://www.proxyvote.com), or by return 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 you don't actively vote your 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 your proxies.

The rules governing these decisions can be found on the SEC website:

<http://www.sec.gov/interp/leg/cfs14.htm>



### Who Can File?

Any shareholder or group of shareholders owning \$2,000 or more of a company's stock for a minimum of a year 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, they can be 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 a higher vote at the AGM. 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 some action on the 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% of the company's total assets and at least 5% 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 the board 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 may ask the SEC for permission to exclude a proposal that does not conform to all requirements. The filers have a right to appeal a company's challenge, and this is usually done through legal counsel.

### What does it Take to Get a Resolution Adopted?

At the 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 to second the motion.

A resolution need not garner 51% of the vote to "win" — something that rarely happens for a number of reasons; not only is it rare for 100% 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 fact, votes in the double digits are generally considered very successful in focusing investor and management attention on issues. The SEC's rules recognize this and give small shareholders a voice by requiring a fairly low threshold of support for a proposal to be resubmitted a second

and third year. A resolution must get at least 3% of the vote in its first year; 6% of the vote in its second year; and 10% 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 especially important to increase the size of the vote for a resolution each year.

### What if All My Investments are in Mutual Funds?

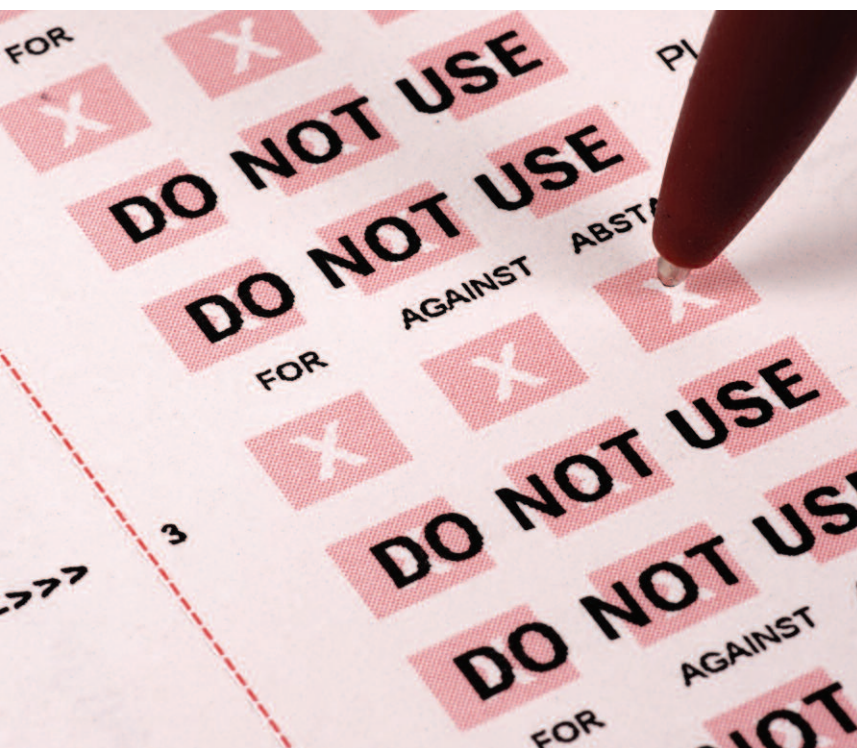
Mutual funds have the clout to hold the companies in their portfolios accountable. Furthermore, they have a duty to do so. As companies which fail to address corporate responsibility and sustainability are at risk for financial losses, lawsuits, and insurance problems, mutual funds act responsibly by ensuring that the companies in their portfolios minimize risk. But many mutual funds fall far short of addressing investor concerns.

While investors do not own stock in privately held asset management firms like Vanguard, they are participants in their mutual funds, and thus have a definite “stake” in what they invest in and how they vote their proxies. While not used frequently, clients can file resolutions with the mutual funds in which they invest. However, a mutual fund is not required to hold an annual stockholder meeting unless it is making significant changes requiring a vote by investors in the fund. Thus, a fund may not hold a stockholder meeting for a decade or more.

By filing a resolution and “getting in line” to be included in a future proxy statement, investors can officially alert asset management companies and specific funds that they are questioning their proxy voting policies and practices on issues like climate change, CEO pay, and LGBT issues.

In addition, since there is no official “filing deadline”, an invitation to co-file can remain on the table indefinitely, allowing investors in selected funds to publicly join in the resolution, thus alerting asset management companies to their 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, as well as their policies on voting shareholder resolutions. You can then encourage them to vote for ESG resolutions. In addition, websites like ProxyDemocracy.org help individual investors follow and evaluate the voting trends of mutual funds and large institutional investors.



## Resolution Leads and Co-Filers

\* Denotes lead sponsor of the resolution

**ABBVIE**  
**Safe Disposal of Prescription Drugs – Prevent Water Pollution**

\* As You Sow Foundation

**ABBVIE**  
**Drug Pricing**

Congregation of Divine Providence - San Antonio, Texas [101]; Dana Investment Advisors [471000]; Dignity Health; Mercy Health; Mercy Investment Services; Miller/Howard Investments; Missionary Oblates of Mary Immaculate [2532]; Providence Trust [257]; \* Sisters of Charity of the Blessed Virgin Mary; Sisters of Providence, Mother Joseph Province; Sisters of St. Francis of Philadelphia; Trinity Health; United Church Funds; Zevin Asset Management

**ABBVIE**  
**Lobbying Expenditures Disclosure**

\* Zevin Asset Management

**ABBVIE**  
**Separate CEO & Chair**

\* Congregation of Sisters of St. Agnes [38]

**ACADIA HEALTHCARE COMPANY INC**  
**Sustainability Reporting**

\* Calvert Investment Management, Inc.

**AES**  
**Business Plan for 2C Warming Scenario**

Calvert Investment Management, Inc.; Everence Financial; Mercy Health; \* Mercy Investment Services

**AETNA**  
**Lobbying Expenditures Disclosure**

\* Daughters of Charity, Province of St. Louise; Mercy Investment Services; Oblate International Pastoral Investment Trust

**AFLAC**  
**Workplace Diversity**

\* Trillium Asset Management Corporation

**ALPHABET**  
**Fair Employment Principles**

Azzad Asset Management; \* Holy Land Principles, Inc.

**ALPHABET**  
**Lobbying Expenditures Disclosure – Climate**

444S Foundation [400]; Benedictine Sisters of Baltimore - Emmanuel Monastery [10]; Community Church of New York [90]; Congregation of the Sisters of St. Joseph of Brighton [15]; First Parish In Cambridge - Unitarian Universalist [100]; Friends Fiduciary Corporation [2900]; Glenmary Home Missioners (Home Missioners of America) [40]; Manhattan Country School [30]; Max and Anna Levinson Foundation [175]; Merck Family Fund [150]; Mercy Investment Services; Monasterio Pan de Vida [6]; Needmor Fund [150]; Pax World Management Corp.; Russell Family Foundation [45]; Sisters of Notre Dame de Namur-Boston [200]; Sisters of the Holy Family, CA [250]; The Oneida Tribe of Indians Trust Fund for the Elderly [300]; Tides Foundation [600]; Ursuline Sisters of Tildonk, US Province; \* Walden Asset Management (Boston Trust & Investment Management Company) [61667]; Zevin Asset Management

**ALPHABET**  
**Political Contributions**

Benedictine Sisters of Mount St. Scholastica; \* Clean Yield Group [10]; Congregation of the Sisters of Charity of the Incarnate Word, San Antonio

**ALPHABET**  
**One Vote Per Share**

\* NorthStar Asset Management

**ALTRIA GROUP**  
**Tobacco Marketing in Lower-Income Communities**

Benedictine Sisters of Virginia [600]; Catholic Health Initiatives; \* Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Carondelet of St. Paul Province; Trinity Health

### **AMAZON.COM, INC**

#### **Environmental Impacts of Continued Use of Foam Packing**

\* As You Sow Foundation

### **AMAZON.COM, INC**

#### **Criminal Background Checks in Hiring Decisions**

\* AFL-CIO; Zevin Asset Management [7]

### **AMAZON.COM, INC**

#### **Principles for Minimum Wage Reform**

\* Zevin Asset Management

### **AMAZON.COM, INC**

#### **Majority Vote**

\* Investor Voice [15]

### **AMEREN (UNION ELECTRIC)**

#### **Water Impacts of Business Operations**

As You Sow Foundation; Franciscan Sisters of Mary, St. Louis, MO [100]; \* School Sisters of Notre Dame Central Pacific Province [100]; Sisters of Charity of the Blessed Virgin Mary; St. Mary's Institute (Sisters of the Most Precious Blood), O'Fallon, Missouri [10]; Trinity Health

### **AMEREN (UNION ELECTRIC)**

#### **Business Plan for 2C Warming Scenario**

\* Mercy Investment Services; Portico Benefit Services (ELCA) [44000]

### **AMERICAN EXPRESS**

#### **Gender Pay Gap**

\* Arjuna Capital; Clean Yield Group; Walden Asset Management (Boston Trust & Investment Management Company) [274600]

### **AMERICAN STATES WATER**

#### **Human Right to Water**

\* NorthStar Asset Management

### **AMERICAN WATER WORKS**

#### **Human Right to Water**

\* NorthStar Asset Management

### **AMERIPRISE FINANCIAL**

#### **Sustainability Reporting**

\* Friends Fiduciary Corporation [6500]

### **AMGEN**

#### **Drug Pricing**

Benedictine Sisters of Mount St. Scholastica [233]; Congregation of the Sisters of Charity of the Incarnate Word, San Antonio [1545]; Dana Investment Advisors [195000]; Dignity Health; \* Mercy Investment Services; Monasterio Pan de Vida [40]; Sisters of St. Francis Charitable Trust; Trinity Health

### **AMGEN**

#### **Majority Vote**

\* Investor Voice; Walden Asset Management (Boston Trust & Investment Management Company) [27018]

### **ANADARKO PETROLEUM**

#### **Business Plan for 2C Warming Scenario**

\* As You Sow Foundation; Miller/Howard Investments; Priests of the Sacred Heart, US Province

### **ANTHEM**

#### **Lobbying Expenditures Disclosure**

Daughters of Charity of St. Vincent de Paul; Mercy Investment Services; Monasterio Pan de Vida [37]; Northwest Women Religious Investment Trust [50]; Oblate International Pastoral Investment Trust; \* Sisters of St. Francis of Philadelphia

### **APPLE COMPUTER**

#### **Board Diversity**

\* Antonio Avian Maldonado, II; Zevin Asset Management

### **AT&T**

#### **Gender Pay Gap**

\* Pax World Management Corp.



### AT&T

#### Lobbying Expenditures Disclosure – Climate

Benedictine Sisters of Mount St. Scholastica; Benedictine Sisters of Virginia [6500]; Brainerd Foundation [203]; First Parish In Cambridge - Unitarian Universalist [81]; Friends Fiduciary Corporation [14000]; Lemmon Foundation [100]; Max and Anna Levinson Foundation [200]; Missionary Oblates of Mary Immaculate; Monasterio De San Benito; Monasterio Pan de Vida; Needmor Fund [1654]; Russell Family Foundation [50]; Sisters of the Holy Family, CA [173]; The Oneida Tribe of Indians Trust Fund for the Elderly [200]; \* Walden Asset Management (Boston Trust & Investment Management Company) [54209]

### AT&T

#### Political Contributions

\* Domini Impact Investments LLC [74000]

### AT&T

#### Digital Equity

\* Zevin Asset Management

### AT&T

#### Privacy, Free Expression, and Data Security

\* Zevin Asset Management

### BADGER METER

#### Board Diversity

\* NorthStar Asset Management

### BAKER HUGHES

#### Majority Vote

\* Investor Voice

### BANK OF AMERICA

#### Lobbying Expenditures Disclosure – Climate

\* Nathan Cummings Foundation; Sisters of St. Dominic of Caldwell, NJ [100]

### BANK OF AMERICA

#### Fossil Fuel Financing

\* Trillium Asset Management Corporation

### BANK OF NEW YORK MELLON

#### Gender Pay Gap

\* Pax World Management Corp.

### BANK OF NEW YORK MELLON

#### Proxy Voting Policies – Climate Change

ACTIAM [44606]; \* Daniel Altschuler 1986 Trust [754]; First Affirmative Financial Network; Friends Fiduciary Corporation [3500]; Mercy Investment Services; United Church Funds

### BERKSHIRE HATHAWAY

#### Political Contributions

\* Clean Yield Group

### BIOGEN

#### Drug Pricing

Boston Common Asset Management [23233]; \* Dignity Health; Domini Impact Investments LLC [20000]; Mercy Investment Services; Northwest Women Religious Investment Trust [50]; Sisters of St. Francis Charitable Trust; Trinity Health

### BLACKROCK

#### Proxy Voting Policies – LGBT Issues

\* Trillium Asset Management Corporation

### BLACKROCK

#### Proxy Voting Policies – Climate Change

\* Center for Community Change; Dignity Health; First Affirmative Financial Network; Friends Fiduciary Corporation [300]; Portico Benefit Services (ELCA) [2200]; Seattle City Employees' Retirement System [2563]; Walden Asset Management (Boston Trust & Investment Management Company)

### BRISTOL-MYERS SQUIBB

#### Drug Pricing

American Baptist Home Mission Society; Catholic Health Initiatives; Congregation of Divine Providence - San Antonio, Texas [100]; Convent Academy of the Incarnate Word (Sisters of the Incarnate Word-Corpus Christi, TX); Dignity Health; Dominican Sisters of Hope; Friends Fiduciary Corporation [3500]; Mercy Health; Mercy Investment Services; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of St. Francis of Philadelphia; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [9735]; \* Trinity Health

### BROWN & BROWN

#### Sexual Orientation & Gender Identity/Expression Non-Discrimination

\* Walden Asset Management (Boston Trust & Investment Management Company) [71590]

### **C.H. ROBINSON WORLDWIDE**

#### **Feasibility of GHG Disclosure and Management**

\* Sisters of the Presentation of the Blessed Virgin Mary, SD

### **CALIFORNIA WATER SERVICE GROUP**

#### **Human Right to Water**

\* NorthStar Asset Management

### **CALPINE**

#### **Lobbying Expenditures Disclosure – Climate**

\* AFSCME

### **CATERPILLAR**

#### **Lobbying Expenditures Disclosure – Climate**

\* Fonds de Solidarite FTQ [33000]

### **CATERPILLAR**

#### **Independent Director with Human Rights Expertise**

Benedictine Sisters of Virginia [1000]; Congregation des Soeurs des Saints Noms de Jesus et de Marie [100]; Congregation of Benedictine Sisters, Boerne TX; \* Domestic and Foreign Missionary Society of the Episcopal Church; Maryknoll Sisters [100]; Mercy Investment Services; Sisters of Loretto

### **CATO CORPORATION (THE)**

#### **Sexual Orientation & Gender Identity/Expression Non-Discrimination**

Educational Foundation of America [1750]; \* Walden Asset Management (Boston Trust & Investment Management Company) [100460]; Wallace Global Fund [900]

### **CENTERPOINT ENERGY**

#### **Methane Emissions – Measure Leakage & Disclose**

\* Calvert Investment Management, Inc.

### **CENTURYLINK**

#### **Lobbying Expenditures Disclosure**

\* Friends Fiduciary Corporation [2800]

### **CHARLES SCHWAB CORPORATION (THE)**

#### **Majority Vote**

\* Investor Voice

### **CHEVRON**

#### **Lobbying Expenditures Disclosure – Climate**

AP7 Seventh Swedish National Pension Fund [1636667]; Benedictine Sisters of Baltimore - Emmanuel Monastery; Benedictine Sisters of Mount St. Scholastica [85]; Benedictine Sisters of Virginia [4400]; \* City of Philadelphia Public Employees Retirement System; Congregation of Divine Providence - San Antonio, Texas [1156]; Needmor Fund [100]; Providence Trust [106]; State of Rhode Island and Providence Plantations [102780]; Zevin Asset Management

### **CHEVRON**

#### **No Business with Governments Complicit in Genocide – Burma**

\* Azzad Asset Management [83]; Ursuline Sisters of Tildonk, US Province

### **CHEVRON**

#### **Business Plan for 2C Warming Scenario**

Carol Master [140]; \* Hermes Equity Ownership Services Ltd.; NEI Investments [31475]; Portico Benefit Services (ELCA) [79000]; The Oneida Tribe of Indians Trust Fund for the Elderly [2300]; Unitarian Universalist Association [193]; \* Wespeth Investment Management; Zevin Asset Management

### **CHEVRON**

#### **Low-Carbon Transition**

Adrian Dominican Sisters; American Baptist Home Mission Society [1604]; \* Arjuna Capital; \* As You Sow Foundation; Congregation of St. Joseph [21]; Daughters of Charity, Province of St Louise; Dignity Health; Dominican Sisters of Hope; Mercy Investment Services; Northwest Women Religious Investment Trust [50]; Presbyterian Church (USA); School Sisters of Notre Dame Cooperative Investment Fund [172]; Sisters of St. Dominic of Caldwell, NJ [200]; Sisters of St. Francis of Philadelphia; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [1000]; Trinity Health; Zevin Asset Management

### **CHEVRON**

#### **Separate CEO & Chair**

Congregation of Benedictine Sisters, Boerne TX; \* Zevin Asset Management

### **CHEVRON**

#### **Shareowners Right to Call Special Meeting**

\* Investor Voice

### **CHIPOTLE MEXICAN GRILL**

#### **Executive Pay: Incorporate Sustainability Metrics**

Benedictine Sisters of Mount St. Scholastica [67]; \*  
Clean Yield Group [15]

### **CHIPOTLE MEXICAN GRILL**

#### **Sustainability Reporting**

\* Domini Impact Investments LLC [20000]; Trillium  
Asset Management Corporation

### **CHIPOTLE MEXICAN GRILL**

#### **Principles for Minimum Wage Reform**

\* Trillium Asset Management Corporation

### **CISCO SYSTEMS**

#### **Lobbying Expenditures Disclosure – Climate**

\* Unitarian Universalist Association [186096]; Walden  
Asset Management (Boston Trust & Investment  
Management Company) [834743]

### **COLGATE-PALMOLIVE**

#### **Fair Compensation Report**

\* Zevin Asset Management

### **COMCAST**

#### **Lobbying Expenditures Disclosure**

Benedictine Sisters of Mount St. Scholastica [355]; \*  
Friends Fiduciary Corporation [5500]; Grand Rapids  
Dominicans; Missionary Oblates of Mary  
Immaculate [1100]; Walden Asset Management  
(Boston Trust & Investment Management  
Company) [405439]

### **COMCAST**

#### **Prohibit Virtual-Only AGM**

\* Sisters of St. Francis of Philadelphia

### **CONOCOPHILLIPS**

#### **Lobbying Expenditures Disclosure – Climate**

ACTIAM [32]; AP7 Seventh Swedish National Pension  
Fund [1084]; Benedictine Sisters of Baltimore -  
Emmanuel Monastery [125]; Benedictine Sisters of  
Virginia [3000]; Brainerd Foundation [150];  
Community Church of New York [100];  
Congregation of St. Joseph [100]; Congregation of  
the Sisters of St. Joseph of Brighton [500]; First  
Affirmative Financial Network; First Parish In  
Cambridge - Unitarian Universalist [50]; Glenmary  
Home Missioners (Home Missioners of America)  
[550]; Haymarket People's Fund [950]; Lemmon  
Foundation [350]; Mercy Investment Services;  
Needmor Fund [100]; School Sisters of Notre

Dame Cooperative Investment Fund; Sisters of  
Notre Dame [550]; Sisters of Notre Dame de  
Namur-Boston [4800]; Sisters of the Holy Family,  
CA [4650]; State of Connecticut Treasurer's Office  
[230163]; State of Rhode Island and Providence  
Plantations [35123]; Tides Foundation [700]; \*  
Walden Asset Management (Boston Trust &  
Investment Management Company) [394324]; Zevin  
Asset Management

### **CONOCOPHILLIPS**

#### **Executive Pay Tied to Resilience to Low-Carbon Scenarios**

Benedictine Sisters of Mount St. Scholastica [70];  
Pax World Management Corp.; \* Unitarian  
Universalist Association [124]; Zevin Asset  
Management

### **CONTINENTAL RESOURCES**

#### **Board Diversity**

\* Miller/Howard Investments

### **COSTCO WHOLESALE**

#### **Reduce Food Waste (withdrawn by filer)**

Green Century Capital Management, Inc.; Mercy  
Investment Services; Sisters of St. Francis of  
Philadelphia; \* Trillium Asset Management  
Corporation; Trinity Health [21852]; Walden Asset  
Management (Boston Trust & Investment  
Management Company) [226564]

### **COSTCO WHOLESALE**

#### **Board Diversity**

\* NorthStar Asset Management

### **CVS HEALTH CORP**

#### **Board Diversity**

\* NorthStar Asset Management

### **CVS HEALTH CORP**

#### **Principles for Minimum Wage Reform**

Benedictine Sisters of Baltimore - Emmanuel  
Monastery [225]; Benedictine Sisters of Mount St.  
Scholastica [919]; Congregation of Benedictine  
Sisters, Boerne TX; Grand Rapids Dominicans;  
Trillium Asset Management Corporation; \* Zevin  
Asset Management

### **CVS HEALTH CORP**

#### **Greenhouse Gas Reduction – Renewable Energy**

\* Zevin Asset Management

### CVS HEALTH CORP

#### CEO to Worker Pay Ratio

\* Zevin Asset Management

### DANAHER

#### Greenhouse Gas Reduction – Science-Based Targets

\* Calvert Investment Management, Inc.

### DENTSPLY SIRONA

#### Board Diversity

Calvert Investment Management, Inc.; Portico Benefit Services (ELCA) [114000]; \* Trillium Asset Management Corporation

### DENTSPLY SIRONA

#### Sexual Orientation & Gender Identity/Expression Non-Discrimination

\* Trillium Asset Management Corporation

### DEVON ENERGY

#### Lobbying Expenditures Disclosure

\* Mercy Investment Services

### DEVON ENERGY

#### Executive Pay Tied to Resilience to Low-Carbon Scenarios

\* As You Sow Foundation

### DEVON ENERGY

#### Review Public Policy Advocacy on Climate

Needmor Fund [150]; \* Unitarian Universalist Association [85]

### DISNEY (WALT) COMPANY / ABC

#### Lobbying Expenditures Disclosure – Climate

Center for Community Change [225]; Congregation of Sisters of St. Agnes [105]; Congregation of St. Joseph [200]; Daniel Altschuler [500]; Sisters of St. Francis of Philadelphia; \* Zevin Asset Management

### DOMINION RESOURCES

#### Lobbying Expenditures Disclosure – Climate

\* Bernice Schoenbaum; Congregation of Sisters of St. Agnes [31]

### DOMINION RESOURCES

#### Business Plan for 2C Warming Scenario

Mercy Investment Services; \* New York State Common Retirement Fund; Pax World Management Corp.; Presbyterian Church (USA) [76]

### DOMINION RESOURCES

#### Climate Change Impacts of Increased Biomass Use

\* As You Sow Foundation

### DOMINION RESOURCES

#### Methane Emissions – Measure Leakage & Disclose

\* Arjuna Capital; \* As You Sow Foundation

### DR PEPPER SNAPPLE GROUP

#### Reduce Pesticide Use

\* Green Century Capital Management, Inc.

### DTE ENERGY

#### Business Plan for 2C Warming Scenario

Everence Financial; Mercy Investment Services; \* New York State Common Retirement Fund

### DUKE ENERGY

#### Lobbying Expenditures Disclosure – Climate

Benedictine Sisters of Virginia [1000]; \* Mercy Investment Services; Trinity Health

### DUKE ENERGY

#### Business Plan for 2C Warming Scenario

Everence Financial; \* New York State Common Retirement Fund

### DUKE ENERGY

#### Public Health Risks of Coal Pollution

\* As You Sow Foundation; \* Daughters of Charity, Province of St Louis

### DUNKIN' BRANDS GROUP

#### Comprehensive Recycling & Reuse: Food & Beverage Packaging

\* As You Sow Foundation

### ELI LILLY AND COMPANY

#### Drug Pricing

American Baptist Home Mission Society [745]; Catholic Health Initiatives; Friends Fiduciary Corporation [2300]; Mercy Health; \* Mercy Investment Services; Trinity Health; Ursuline Sisters of Tildonk, US Province

### EMERSON

#### Sustainability Reporting

As You Sow Foundation; \* Mercy Investment Services; Walden Asset Management (Boston Trust & Investment Management Company); Zevin Asset Management

### EMERSON

#### Lobbying Expenditures Disclosure – Climate

\* The Sustainability Group at Loring Wolcott & Coolidge; Zevin Asset Management [100]

### EMERSON

#### Political Contributions

\* Trillium Asset Management Corporation; Zevin Asset Management

### EMERSON

#### Greenhouse Gas Reduction – Science-Based Targets

444S Foundation; As You Sow Foundation; Brainerd Foundation [175]; Community Church of New York [1100]; Congregation of the Sisters of St. Joseph of Brighton [350]; First Parish In Cambridge - Unitarian Universalist [1200]; Fresh Pond Capital [8874]; Friends Fiduciary Corporation; Glenmary Home Missioners (Home Missioners of America) [600]; Gwendolen Noyes [300]; Haymarket People's Fund [675]; Lemmon Foundation [210]; Manhattan Country School [250]; Max and Anna Levinson Foundation [3100]; Merck Family Fund [1775]; Portico Benefit Services (ELCA) [10000]; Russell Family Foundation [900]; Sisters of Notre Dame [225]; Sisters of the Holy Family, CA [3000]; The Oneida Tribe of Indians Trust Fund for the Elderly [200]; Tides Foundation [10000]; \* Walden Asset Management (Boston Trust & Investment Management Company) [345000]; Walden Equity Fund [40000]; Zevin Asset Management [100]

### EMERSON

#### Separate CEO & Chair

\* Needmor Fund [1200]

### ENBRIDGE

#### Environmental and Human Rights Due Diligence – DAPL

Congregation of the Sisters of Charity of the Incarnate Word, San Antonio [4400]; Portico Benefit Services (ELCA) [26000]; \* Sisters of Charity, Halifax

### ENSIGN GROUP

#### Sustainability Reporting

\* Calvert Investment Management, Inc.

### ENTERGY

#### Business Plan for 2C Warming Scenario

\* Arjuna Capital; \* As You Sow Foundation

### EOG RESOURCES

#### Sexual Orientation & Gender Identity/Expression Non-Discrimination (withdrawn by filer)

\* Trillium Asset Management Corporation

### EOG RESOURCES

#### Methane Emissions – Measure Leakage & Disclosure (withdrawn by filer)

Dominican Sisters of Hope; Miller/Howard Investments; \* Trillium Asset Management Corporation

### EXPEDITORS INTERNATIONAL OF WASHINGTON

#### Executive Pay: Incorporate Sustainability Metrics

Clean Yield Group; \* Sonen Capital; Zevin Asset Management

### EXPRESS SCRIPTS

#### Separate CEO & Chair

\* John Chevedden; Walden Asset Management (Boston Trust & Investment Management Company) [27099]

### EXXON MOBIL

#### Business Plan for 2C Warming Scenario

Adrian Dominican Sisters; American Baptist Home Mission Society [3383]; Benedictine Sisters of Baltimore - Emmanuel Monastery [275]; Benedictine Sisters, Sacred Heart Monastery [15]; CCLA; Carol Master [175]; Christian Brothers Investment Services [426764]; Congregation des Soeurs des Saints Noms de Jesus et de Marie [100]; Congregation of Benedictine Sisters, Boerne TX; Congregation of Divine Providence - San Antonio, Texas [30]; Congregation of St. Joseph [100]; Congregation of the Sisters of Saint Joseph of Chestnut Hill, Philadelphia; Daughters of Charity, Province of St Louise; Dignity Health; Dominican Sisters of Hope; Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name); Fonds de Solidarite FTQ [171400]; Glenmary Home Missioners (Home Missioners of America) [600]; Maryknoll Sisters [100]; Mercy Investment Services; Needmor Fund [100]; \* New York State Common Retirement Fund; Northwest Women Religious Investment Trust [50]; Presbyterian Church (USA) [51]; Providence Trust [500]; School Sisters of Notre Dame Cooperative Investment Fund [100]; Sisters of St. Dominic of Caldwell, NJ [200]; Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Orange; The Oneida Tribe of Indians Trust Fund for the Elderly

[4400]; Unitarian Universalist Association [87]; Ursuline Sisters of Tildonk, US Province; Zevin Asset Management

### **EXXON MOBIL**

#### **Lobbying Expenditures Disclosure – Climate**

AP7 Seventh Swedish National Pension Fund [3606]; Azzad Asset Management [205]; Benedictine Sisters of Mount St. Scholastica [94]; Clean Yield Group; Congregation of Sisters of St. Agnes [49]; Congregation of the Sisters of St. Joseph of Brighton [2794]; Dana Investment Advisors [204000]; State of Rhode Island and Providence Plantations [116549]; \* United Steel Workers; Walden Asset Management (Boston Trust & Investment Management Company) [55638]; Zevin Asset Management

### **EXXON MOBIL**

#### **Political Contributions**

\* Investor Voice

### **EXXON MOBIL**

#### **Carbon Asset Risk**

\* Arjuna Capital; \* As You Sow Foundation; Zevin Asset Management

### **EXXON MOBIL**

#### **Climate Risk Management Report (withdrawn by filer)**

Brainerd Foundation [150]; \* Christopher Reynolds Foundation, Inc.

### **EXXON MOBIL**

#### **Independent Director with Climate Change Expertise**

Benedictine Sisters of Virginia [7400]; Convent Academy of the Incarnate Word (Sisters of the Incarnate Word-Corpus Christi, TX) [73]; Franciscan Sisters of Perpetual Adoration; Missionary Oblates of Mary Immaculate [875]; Premonstratensian Fathers; \* Province of St. Joseph of the Capuchin Order (Midwest Capuchins); School Sisters of St. Francis, Milwaukee; Sisters of Providence, Mother Joseph Province [35]; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [70]; Sisters of the Presentation of the Blessed Virgin Mary, SD; Zevin Asset Management

### **EXXON MOBIL**

#### **Methane Emissions – Measure Leakage & Disclose**

\* As You Sow Foundation

### **F5 NETWORKS**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **FIFTH THIRD BANCORP**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **FIRST ENERGY**

#### **Lobbying Expenditures Disclosure**

\* Nathan Cummings Foundation

### **FIRST ENERGY**

#### **Business Plan for 2C Warming Scenario**

\* As You Sow Foundation

### **FIRST REPUBLIC BANK**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **FORD MOTOR**

#### **Lobbying Expenditures Disclosure – Climate**

\* Unitarian Universalist Association [9212]

### **FRANKLIN RESOURCES**

#### **Proxy Voting Policies – Climate Change**

\* Zevin Asset Management [120]

### **GENERAL ELECTRIC**

#### **Lobbying Expenditures Disclosure – Climate**

\* City of Philadelphia Public Employees Retirement System

### **GILEAD SCIENCES**

#### **Drug Pricing**

Adrian Dominican Sisters [24]; Azzad Asset Management; Benedictine Sisters of Mount St. Scholastica [1255]; Dana Investment Advisors [57000]; Dignity Health; Friends Fiduciary Corporation [7000]; Mercy Investment Services; Miller/Howard Investments; Oblate International Pastoral Investment Trust; \* Trinity Health

### **GILEAD SCIENCES**

#### **Greenhouse Gas Reduction – Science-Based Targets**

\* The Sustainability Group at Loring Wolcott & Coolidge

### **GOLDMAN SACHS GROUP**

#### **Indigenous Peoples Rights: Financing Oil Projects – DAPL**

American Baptist Home Mission Society [4044]; \* As You Sow Foundation; Dominican Sisters of Springfield Illinois; Everence Financial [6557]; Investor Voice; Mercy Investment Services; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [1800]; Trinity Health; Unitarian Universalist Association [1232]; Ursuline Sisters of Tildonk, US Province

### **GOLDMAN SACHS GROUP**

#### **Gender Pay Gap**

\* Pax World Management Corp.

### **GOODYEAR TIRE & RUBBER**

#### **Lobbying Expenditures Disclosure**

Missionary Oblates of Mary Immaculate [1079]; \* Unitarian Universalist Association [730]

### **HESS**

#### **Business Plan for 2C Warming Scenario**

\* As You Sow Foundation

### **HOME DEPOT**

#### **Equal Employment Opportunity (EEO)**

\* Congregation of Benedictine Sisters, Boerne TX; Convent Academy of the Incarnate Word (Sisters of the Incarnate Word-Corpus Christi, TX) [80]

### **HOME DEPOT**

#### **Political Contributions**

\* NorthStar Asset Management

### **HOME DEPOT**

#### **Principles for Minimum Wage Reform**

\* Trillium Asset Management Corporation; Zevin Asset Management

### **HONEYWELL INTERNATIONAL**

#### **Lobbying Expenditures Disclosure**

\* City of Philadelphia Public Employees Retirement System; Mercy Investment Services

### **HORMEL FOODS**

#### **Water Impacts of Business Operations (withdrawn by filer)**

\* American Baptist Home Mission Society [308]; As You Sow Foundation; Calvert Investment Management, Inc.; Congregation of Sisters of St. Agnes [150]; Mercy Investment Services; Sisters of St. Francis of Philadelphia; Trinity Health [13750]

### **HORMEL FOODS**

#### **Majority Vote**

\* Investor Voice

### **HUB GROUP**

#### **Board Diversity**

\* Walden Asset Management (Boston Trust & Investment Management Company) [75000]

### **IDEX**

#### **Board Diversity**

\* NorthStar Asset Management

### **INTEL**

#### **Political Contributions**

\* NorthStar Asset Management

### **INTEL**

#### **Conflict-Afflicted Areas**

\* Mercy Investment Services

### **INTEL**

#### **Majority Vote**

\* Investor Voice

### **INTERCONTINENTALEXCHANGE**

#### **Sustainability Reporting**

\* Domini Impact Investments LLC

### **INTERNATIONAL BUSINESS MACHINES CORP. (IBM)**

#### **Board Diversity**

\* NorthStar Asset Management

### **INTERNATIONAL BUSINESS MACHINES CORP. (IBM)**

#### **Lobbying Expenditures Disclosure – Climate**

Community Church of New York [100]; Congregation of the Sisters of St. Joseph of Brighton [50]; First Parish In Cambridge - Unitarian Universalist [50]; Friends Fiduciary Corporation [1500]; Glenmary Home Missioners (Home Missioners of America) [50]; Manhattan Country School [30]; Needmor Fund [125]; Russell Family Foundation [50]; \* Walden Asset Management (Boston Trust & Investment Management Company)

### **J.P. MORGAN CHASE & CO.**

#### **Proxy Voting Policies – Climate Change**

Dignity Health; Fresh Pond Capital [6314]; Friends Fiduciary Corporation [19500]; Mercy Investment Services; Portico Benefit Services (ELCA) [137000]; Priests of the Sacred Heart, US Province [18400]; School Sisters of Notre Dame Cooperative Investment Fund; Seattle City Employees' Retirement System [76163]; Sisters of St. Dominic of Caldwell, NJ [370]; Sisters of St. Francis of Philadelphia; \* Walden Asset Management (Boston Trust & Investment Management Company) [455017]; Zevin Asset Management [81]

### **J.P. MORGAN CHASE & CO.**

#### **Majority Vote**

\* Investor Voice

### **JACK IN THE BOX**

#### **Non-Therapeutic Use of Antibiotics in Animals (withdrawn by filer)**

\* Green Century Capital Management, Inc.

### **JOHNSON & JOHNSON**

#### **Safe Disposal of Prescription Drugs-Prevent Water Pollution**

\* As You Sow Foundation; Walden Asset Management (Boston Trust & Investment Management Company) [399760]

### **JOHNSON & JOHNSON**

#### **Drug Pricing**

Adrian Dominican Sisters [25]; Catholic Health Initiatives; Dignity Health; Dominican Sisters of Hope; Mercy Health; Mercy Investment Services; Miller/Howard Investments; Sisters of St. Dominic of Caldwell, NJ; \* Trinity Health; United Church Funds; Ursuline Sisters of Tildonk, US Province; Zevin Asset Management [1600]

### **JOHNSON & JOHNSON**

#### **Board Diversity**

\* NorthStar Asset Management

### **JOHNSON & JOHNSON**

#### **Lobbying Expenditures Disclosure**

Congregation of Sisters of St. Agnes [36]; \* Daughters of Charity of St. Vincent de Paul

### **JOHNSON & JOHNSON**

#### **Separate CEO & Chair**

Friends Fiduciary Corporation [14000]; \* Sisters of St. Francis of Philadelphia

### **JOHNSON OUTDOORS**

#### **Sexual Orientation & Gender Identity/Expression Non-Discrimination**

\* NorthStar Asset Management

### **JONES LANG LASALLE INCORPORATED**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **KELLOGG**

#### **Reduce Pesticide Use**

As You Sow Foundation; \* Maryknoll Sisters

### **KINDER MORGAN, INC**

#### **Methane Emissions – Measure Leakage & Disclose**

\* Miller/Howard Investments

### **KRAFT HEINZ**

#### **Supply Chain Impact on Deforestation**

Calvert Investment Management, Inc.; \* Domini Impact Investments LLC

### **KRAFT HEINZ**

#### **Sustainability Reporting /Nutrition**

Mercy Investment Services; \* Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Sisters of the Holy Names of Jesus and Mary, US Ontario Province; Trinity Health

### **KRAFT HEINZ**

#### **Environmental Impacts of Non-Recyclable Packaging**

\* As You Sow Foundation; Dignity Health

### **KROGER**

#### **Supply Chain Impact on Deforestation**

First Affirmative Financial Network; \* Green Century Capital Management, Inc.; Sisters of St. Joseph Third Order of St. Francis

### **KROGER**

#### **Environmental Impacts of Non-Recyclable Packaging**

\* As You Sow Foundation



### **KROGER**

#### **Human Rights Risk Assessment**

Adrian Dominican Sisters; Calvert Investment Management, Inc.; Congregation of the Sisters of Saint Joseph of Chestnut Hill, Philadelphia; Fonds de Solidarite FTQ [25800]; Friends Fiduciary Corporation [3000]; Mercy Investment Services; Northwest Women Religious Investment Trust; Portico Benefit Services (ELCA) [12000]; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of Providence, Mother Joseph Province; \* Sisters of St. Francis of Philadelphia; Sisters of the Holy Names of Jesus and Mary, US Ontario Province; Trinity Health

### **KROGER**

#### **Greenhouse Gas Reduction – Renewable Energy**

\* As You Sow Foundation

### **MARATHON PETROLEUM**

#### **Environmental and Human Rights Due Diligence – DAPL**

\* New York State Common Retirement Fund; Trillium Asset Management Corporation; Unitarian Universalist Association [890]; United Church Funds

### **MARATHON PETROLEUM**

#### **Business Plan for 2C Warming Scenario**

Congregation of St. Joseph [100]; Dignity Health; Dominican Sisters of Houston, TX [1088]; Maryknoll Sisters [101]; \* Mercy Investment Services; Portico Benefit Services (ELCA) [8400]; Trinity Health

### **MASTERCARD INCORPORATED**

#### **Gender Pay Gap**

\* Arjuna Capital; Pax World Management Corp.

### **MCDONALD'S**

#### **Non-Therapeutic Use of Antibiotics in Animals**

As You Sow Foundation; Benedictine Sisters of Baltimore - Emmanuel Monastery [175]; \* Congregation of Benedictine Sisters, Boerne TX; Congregation of Divine Providence - San Antonio, Texas [35]; Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name); Providence Trust [33]; Sisters of Providence, Mother Joseph Province [32]; Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Orange; The Oneida Tribe of Indians Trust Fund for the Elderly [300]

### **MCDONALD'S**

#### **Environmental Impact of Polystyrene Foam Beverage Cups**

\* As You Sow Foundation

### **MCDONALD'S**

#### **Majority Vote**

\* Investor Voice

### **MCDONALD'S**

#### **Supply Chain Impact on Deforestation**

\*Green Century Capital Management, Sisters of St. Francis Charitable Trust

### **MEAD JOHNSON NUTRITION**

#### **Report on Use of Nano Materials in Company's Products/Pkg**

\* As You Sow Foundation

### **MERCK & CO.**

#### **Board Oversight of Product Safety and Quality**

\* Trillium Asset Management Corporation

### **MERCK & CO.**

#### **Drug Pricing**

American Baptist Home Mission Society [2260]; Azzad Asset Management [73]; Benedictine Sisters of Baltimore - Emmanuel Monastery [625]; Boston Common Asset Management [161856]; Catholic Health Initiatives; Congregation of Holy Cross, Moreau Province [10]; Convent Academy of the Incarnate Word (Sisters of the Incarnate Word-Corpus Christi, TX) [90]; Dignity Health; Domini Impact Investments LLC; Dominican Sisters of Hope; Mercy Investment Services; Miller/Howard Investments; Missionary Oblates of Mary Immaculate [13100]; \* Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Sisters of Charity of the Blessed Virgin Mary; Sisters of St. Francis of Philadelphia; Socially Responsible Investment Coalition; Trinity Health; United Church Funds

### **MIDDLEBY**

#### **Sustainability Reporting – GHG Emphasis**

\* Trillium Asset Management Corporation

### **MONDELEZ INTERNATIONAL**

#### **Environmental Impacts of Non-Recyclable Packaging**

\* As You Sow Foundation

### **MONSANTO**

#### **Lobbying Expenditures Disclosure**

\* As You Sow Foundation

### **MORGAN STANLEY**

#### **Indigenous Peoples Rights: Financing Oil Projects - DAPL**

\* As You Sow Foundation; Calvert Investment Management, Inc.; Dignity Health; Domini Impact Investments LLC; Everence Financial [15791]; Friends Fiduciary Corporation [14300]; Maryknoll Sisters; Mercy Investment Services; Oblate International Pastoral Investment Trust; Sisters of St. Francis of Philadelphia; Ursuline Sisters of Tildonk, US Province

### **MORGAN STANLEY**

#### **Majority Vote**

\* Investor Voice

### **MOTOROLA SOLUTIONS INC**

#### **Ethical Labor Recruitment**

\* Domini Impact Investments LLC

### **MOTOROLA SOLUTIONS INC**

#### **Lobbying Expenditures Disclosure – Climate**

Dominican Sisters of Hope; \* Mercy Investment Services

### **NETGEAR**

#### **Sexual Orientation & Gender Identity/Expression Non-Discrimination**

Needmor Fund [750]; \* Walden Asset Management (Boston Trust & Investment Management Company) [80110]; Wallace Global Fund [700]

### **NEWMONT MINING**

#### **Human Rights Risk Assessment**

\* SumofUs

### **NOBLE ENERGY**

#### **Business Plan for 2C Warming Scenario**

Dignity Health; Mercy Investment Services; Portico Benefit Services (ELCA) [50000]; \* Presbyterian Church (USA) [52]

### **NORDSON**

#### **Sustainability Reporting – GHG Emphasis (withdrawn by filer)**

Needmor Fund [250]; Park Foundation [1225]; \* Walden Asset Management (Boston Trust & Investment Management Company) [39895]; Wallace Global Fund [325]; William A. Gee IV 2000 Trust [1600]

### **NORFOLK SOUTHERN**

#### **Risks Associated with Transporting Crude Oil By Rail**

\* Friends Fiduciary Corporation [5500]

### **NRG ENERGY**

#### **Stranded Assets Due to Climate Change**

\* As You Sow Foundation

### **NUCOR**

#### **Lobbying Expenditures Disclosure**

\* Domini Impact Investments LLC; Investor Voice

### **NUCOR**

#### **Greenhouse Gas Reduction – Science-Based Targets**

\* Calvert Investment Management, Inc.

### **OCCIDENTAL PETROLEUM**

#### **Business Plan for 2C Warming Scenario**

As You Sow Foundation; Mercy Investment Services; \* Nathan Cummings Foundation; Pax World Management Corp.; Portico Benefit Services (ELCA) [35000]; \* Wespath Investment Management [173606]

### **OCCIDENTAL PETROLEUM**

#### **Methane Emissions – Measure Leakage & Disclose**

\* Arjuna Capital; Miller/Howard Investments

### **OCCIDENTAL PETROLEUM**

#### **Review Public Policy Advocacy on Climate (withdrawn by filer)**

AP7 Seventh Swedish National Pension Fund [662]; Benedictine Sisters of Mount St. Scholastica [45]; Convent Academy of the Incarnate Word (Sisters of the Incarnate Word-Corpus Christi, TX) [160]; NEI Investments [50103]; \* Needmor Fund [50]; Unitarian Universalist Association [109]

### **OCEANEERING INTERNATIONAL**

#### **Sustainability Reporting – GHG Emphasis**

Christopher Reynolds Foundation, Inc. [375]; Congregation of the Sisters of St. Joseph of Brighton [400]; Mercy Investment Services; Needmor Fund [725]; Portico Benefit Services (ELCA) [2400]; Sisters of the Holy Family, CA [2350]; The Swift Foundation [850]; Tides Foundation [12000]; \* Walden Asset Management (Boston Trust & Investment Management Company) [282840]; Walden Midcap Fund [10200]

### **OMNICOM GROUP**

#### **Equal Employment Opportunity (EEO)**

Center for Community Change; Congregation of the Sisters of St. Joseph of Brighton [300]; Friends Fiduciary Corporation [13600]; Needmor Fund [1100]; Sisters of Notre Dame de Namur-Boston [2700]; \* Walden Asset Management (Boston Trust & Investment Management Company); Walden Equity Fund [40000]

### **ORACLE SYSTEMS**

#### **Lobbying Expenditures Disclosure**

\* Unitarian Universalist Association [200000]

### **PEPSICO**

#### **Reduce Pesticide Use**

Benedictine Sisters of Baltimore - Emmanuel Monastery; Benedictine Sisters of Mount St. Scholastica [445]; Domini Impact Investments LLC [239000]; School Sisters of Notre Dame Cooperative Investment Fund; \* Trillium Asset Management Corporation

### **PEPSICO**

#### **Greenhouse Gas Reduction – Renewable Energy**

Adrian Dominican Sisters; Church Pension Fund; Dignity Health; Mercy Investment Services; \* Zevin Asset Management

### **PFIZER**

#### **Safe Disposal of Prescription Drugs-Prevent Water Pollution**

\* As You Sow Foundation

### **PFIZER**

#### **Drug Pricing**

Adrian Dominican Sisters [87]; American Baptist Home Mission Society [5138]; Catholic Health Initiatives; Congregation of Holy Cross, Moreau Province [10]; Dignity Health; Dominican Sisters of

Hope; Mercy Investment Services; Miller/Howard Investments; \* Trinity Health; United Church Funds; Ursuline Sisters of Tildonk, US Province

### **PFIZER**

#### **Lobbying Expenditures Disclosure – Climate**

\* Christopher Reynolds Foundation, Inc. [258]; Friends Fiduciary Corporation; Unitarian Universalist Association [12611]

### **PFIZER**

#### **Separate CEO & Chair**

\* Sisters of St. Francis of Philadelphia

### **PHILIP MORRIS INTERNATIONAL**

#### **Human Rights Policy Stressing Right to Health (Tobacco)**

Catholic Health Initiatives; Congregation of Sisters of St. Agnes [36]; \* Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Carondelet of St. Paul Province; Trinity Health

### **PHILLIPS 66**

#### **Environmental and Human Rights Due Diligence – DAPL (withdrawn by filer)**

As You Sow Foundation; Benedictine Sisters of Mount St. Scholastica; Benedictine Sisters of Virginia [50]; Congregation of Divine Providence - San Antonio, Texas [66]; Congregation of St. Joseph [40]; Dignity Health [50]; Mercy Investment Services; Oblate International Pastoral Investment Trust; \* Presbyterian Church (USA) [53]; Providence Trust [50]; School Sisters of Notre Dame Cooperative Investment Fund

### **PILGRIM'S PRIDE CORP**

#### **Water Impacts of Business Operations**

Dignity Health; Oblate International Pastoral Investment Trust

### **PILGRIM'S PRIDE CORP**

#### **Board Diversity**

\* Oxfam America

### **PINNACLE WEST CAPITAL**

#### **Political Contributions**

\* As You Sow Foundation; Friends Fiduciary Corporation [3100]; Unitarian Universalist Association [740]

### **PIONEER NATURAL RESOURCES**

#### **Shale Energy Operations – Quantitative Risk Management**

\* Miller/Howard Investments

### **PNC FINANCIAL SERVICES GROUP**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **PNC FINANCIAL SERVICES GROUP**

#### **Political Contributions**

\* Trillium Asset Management Corporation

### **PNM RESOURCES**

#### **Board Oversight of Climate Change Policies**

\* Dee Homans [100]

### **PNM RESOURCES**

#### **Business Plan for 2C Warming Scenario**

\* Max and Anna Levinson Foundation [100]

### **PNM RESOURCES**

#### **Stranded Assets Due to Climate Change**

\* Sam and Wendy Hitt Family Trust [100]

### **POST HOLDINGS INC**

#### **Animal Welfare**

\* Calvert Investment Management, Inc.

### **QUALCOMM**

#### **Gender Pay Gap**

\* Pax World Management Corp.

### **REGENERON PHARMACEUTICALS**

#### **Drug Pricing (withdrawn by filer)**

Boston Common Asset Management [11562]; \* Dignity Health; Mercy Investment Services; Trinity Health

### **RESTAURANT BRANDS INTERNATIONAL**

#### **Non-Therapeutic Use of Antibiotics in Animals (withdrawn by filer)**

\* As You Sow Foundation

### **RESTAURANT BRANDS INTERNATIONAL**

#### **Supply Chain Impact on Deforestation**

Friends Fiduciary Corporation [1500]; \* Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

### **RESTAURANT BRANDS INTERNATIONAL**

#### **Board Diversity**

\* Shareholder Association for Research and Education (SHARE)

### **RESTAURANT BRANDS INTERNATIONAL**

#### **Human Rights Risk Assessment**

\* Shareholder Association for Research and Education (SHARE)

### **REYNOLDS AMERICAN**

#### **Tobacco Marketing in Lower-Income Communities**

Catholic Health Initiatives; Congregation of Sisters of St. Agnes [116]; \* Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Carondelet of St. Paul Province; Trinity Health

### **ROYAL BANK OF CANADA**

#### **Lobbying Expenditures Disclosure – Climate**

\* SumofUs

### **SANDERSON FARMS**

#### **Non-Therapeutic Use of Antibiotics in Animals**

\* As You Sow Foundation; Oxfam America

### **SCHWEITZER-MAUDUIT INTERNATIONAL**

#### **Greenhouse Gas Reduction – Science-Based Targets**

\* Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

### **SEMPRA ENERGY**

#### **Methane Emissions – Measure Leakage & Disclose**

\* As You Sow Foundation

### **SIMON PROPERTY GROUP**

#### **Majority Vote**

\* Investor Voice

### **SMITH (A.O.)**

#### **Board Diversity**

\* NorthStar Asset Management

### **SMITH (A.O.)**

#### **Sustainability Reporting – GHG Emphasis (withdrawn by filer)**

\* Trillium Asset Management Corporation

### **SOUTHERN**

#### **Business Plan for 2C Warming Scenario**

Adrian Dominican Sisters; American Baptist Home Mission Society [1060]; Benedictine Sisters of Virginia [3500]; Everence Financial [24911]; Mercy Investment Services; Sierra Club; \* Sisters of St. Dominic of Caldwell, NJ [100]; Trinity Health

### **SOUTHERN**

#### **Methane Emissions – Measure Leakage & Disclose**

\* As You Sow Foundation

### **SOUTHERN**

#### **Stranded Assets Due to Climate Change**

\* As You Sow Foundation; Clean Yield Group

### **STARBUCKS**

#### **Non-Therapeutic Use of Antibiotics in Animals**

\* Green Century Capital Management, Inc.

### **T. ROWE PRICE ASSOCIATES**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **T. ROWE PRICE ASSOCIATES**

#### **Proxy Voting Policies – Climate Change**

Dignity Health; Friends Fiduciary Corporation [5000]; \* Walden Asset Management (Boston Trust & Investment Management Company) [364292]; \* Zevin Asset Management

### **T. ROWE PRICE ASSOCIATES**

#### **Proxy Voting Policies – Executive Pay**

\* As You Sow Foundation

### **TARGET**

#### **Reduce Food Waste**

Friends Fiduciary Corporation [8800]; \* Trillium Asset Management Corporation; Trinity Health

### **TARGET**

#### **Environmental Impacts of Continued Use of Foam Packing**

\* As You Sow Foundation

### **TEXAS ROADHOUSE**

#### **Sustainability Reporting**

\* Calvert Investment Management, Inc.

### **TIME WARNER**

#### **Sustainable Development Goals – Smoking in Movies**

As You Sow Foundation; Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Sisters of St. Francis of Philadelphia; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [8323]; \* Trinity Health

### **TJX**

#### **Executive Pay: Incorporate Diversity Metrics**

\* NorthStar Asset Management

### **TJX**

#### **Gender Pay Gap**

\* Zevin Asset Management

### **TJX**

#### **Principles for Minimum Wage Reform**

\* Trillium Asset Management Corporation; Zevin Asset Management

### **TJX**

#### **CEO to Worker Pay Ratio**

\* Priests of the Sacred Heart, US Province; Zevin Asset Management

### **TORCHMARK**

#### **Sustainability Reporting – GHG Emphasis**

\* Friends Fiduciary Corporation

### **TRACTOR SUPPLY**

#### **Greenhouse Gas Reduction – Science-Based Targets**

\* Trillium Asset Management Corporation

### **TRAVELERS**

#### **Workplace Diversity**

\* Trillium Asset Management Corporation

### **TRAVELERS**

#### **Lobbying Expenditures Disclosure – Climate**

\* First Affirmative Financial Network

### **TYSON FOODS**

#### **Water Impacts of Business Operations**

\* American Baptist Home Mission Society [295]; Congregation of Sisters of St. Agnes [110]; Daughters of Charity, Province of St. Louise; Dignity Health; PGGM Vermogensbeheer B.V. [252026]; Sisters of Providence, Mother Joseph Province [47]; Trinity Health [16551]

### TYSON FOODS

#### Sustainable Protein (withdrawn by filer)

\* Green Century Capital Management, Inc.

### TYSON FOODS

#### Board Diversity

\* Oxfam America

### TYSON FOODS

#### Lobbying Expenditures Disclosure

International Brotherhood of Teamsters; \* Mercy Investment Services

### UNITED PARCEL SERVICE

#### Lobbying Expenditures Disclosure – Climate

444S Foundation [3000]; Brainerd Foundation [100]; Community Church of New York [200]; Congregation of the Sisters of St. Joseph of Brighton [175]; First Parish In Cambridge - Unitarian Universalist [600]; Friends Fiduciary Corporation; Glenmary Home Missioners (Home Missioners of America) [400]; Gwendolen Noyes [150]; Haymarket People's Fund [450]; Lemmon Foundation [150]; Manhattan Country School [150]; Max and Anna Levinson Foundation [1000]; Merck Family Fund [700]; Missionary Oblates of Mary Immaculate [5512]; Russell Family Foundation [275]; Sisters of Notre Dame de Namur-Boston [2000]; Sisters of St. Francis of Philadelphia; Sisters of the Holy Family, CA [1025]; The Oneida Tribe of Indians Trust Fund for the Elderly [2800]; The Swift Foundation [29456]; Tides Foundation [6500]; \* Walden Asset Management (Boston Trust & Investment Management Company); Zevin Asset Management [900]

### UNITED PARCEL SERVICE

#### Review Lobbying at Federal, State and Local Levels (withdrawn by filer)

\* Zevin Asset Management [900]

### UNITED PARCEL SERVICE

#### Greenhouse Gas Reduction – Renewable Energy (withdrawn by filer)

Domini Impact Investments LLC; Pax World Management Corp.; Trillium Asset Management Corporation; \* Zevin Asset Management [550]

### UNITED PARCEL SERVICE

#### Separate CEO & Chair (withdrawn by filer)

\* Needmor Fund [725]

### UNITED STATES STEEL

#### Greenhouse Gas Reduction – Science-Based Targets

Mercy Investment Services; \* Portico Benefit Services (ELCA) [1600]

### VALEANT PHARMACEUTICALS INTERNATIONAL

#### Executive Incentive Pay Clawback

\* UAW Retiree Medical Benefits Trust

### VANGUARD FUNDS

#### Proxy Voting Policies – Climate Change

\* Walden Asset Management (Boston Trust & Investment Management Company)

### VERISK ANALYTICS

#### Sexual Orientation & Gender Identity/Expression Non-Discrimination (withdrawn by filer)

\* Trillium Asset Management Corporation

### VERIZON COMMUNICATIONS

#### Gender Pay Gap

\* Pax World Management Corp.

### VERIZON COMMUNICATIONS

#### Privacy, Free Expression, and Data Security

\* Trillium Asset Management Corporation

### VERIZON COMMUNICATIONS

#### Greenhouse Gas Reduction – Science-Based Targets

Green Century Capital Management, Inc.; Monasterio De San Benito; \* Trillium Asset Management Corporation

### VERTEX PHARMACEUTICALS INCORPORATED

#### Drug Pricing

\* Trinity Health

### VERTEX PHARMACEUTICALS INCORPORATED

#### Lobbying Expenditures Disclosure

Benedictine Sisters of Mount St. Scholastica [92]; \* Friends Fiduciary Corporation [400]

### VISA

#### Workplace Diversity (withdrawn by filer)

\* Trillium Asset Management Corporation

### WALGREENS BOOTS ALLIANCE

#### Report on Use of Nano Materials in Company's Products/Pkg

\* As You Sow Foundation

### **WALGREENS BOOTS ALLIANCE**

#### **Assess Financial Risks of In-Store Tobacco Sales (omitted from proxy with permission of the SEC)**

Northwest Women Religious Investment Trust [50]; Sisters of Charity of St. Elizabeth, NJ [70]; \* Sisters of St. Francis of Philadelphia; Sisters of the Humility of Mary [280]; Trinity Health

### **WALGREENS BOOTS ALLIANCE**

#### **Executive Pay: Incorporate Sustainability Metrics**

\* Clean Yield Group

### **WALGREENS BOOTS ALLIANCE**

#### **Lobbying Expenditures Disclosure (withdrawn by filer)**

Friends Fiduciary Corporation; Gwendolen Noyes [400]; \* Mercy Investment Services; Missionary Oblates of Mary Immaculate [2144]; Society of the Holy Child Jesus - American Province

### **WELLS FARGO & COMPANY**

#### **Indigenous Peoples Rights: Financing Oil Projects - DAPL**

As You Sow Foundation; \* SumofUs

### **WELLS FARGO & COMPANY**

#### **Business Standards/Vision and Values/ Risk Management**

American Baptist Home Mission Society [8842]; Benedictine Sisters of Baltimore - Emmanuel Monastery [475]; Benedictine Sisters of Mount St. Scholastica [1030]; Benedictine Sisters of Virginia [3500]; Calvert Investment Management, Inc.; Dominican Sisters of Hope; Friends Fiduciary Corporation [23000]; Maryknoll Sisters; Missionary Oblates of Mary Immaculate [8583]; NEI Investments [111485]; Presbyterian Church (USA); \* Sisters of St. Francis of Philadelphia; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [16159]; The Boston Trust & Walden Funds [1000]; United Church Funds

### **WELLS FARGO & COMPANY**

#### **Executive Pay Tied to Ethical Business Conduct**

\* Unitarian Universalist Association [8151]

### **WELLS FARGO & COMPANY**

#### **Separate CEO & Chair (withdrawn by filer)**

\* Needmor Fund [2225]; State of Connecticut Treasurer's Office [1252206]; UAW Retiree Medical Benefits Trust

### **WENDY'S INTERNATIONAL**

#### **Join the Fair Food Program**

\* Congregation of St. Joseph [235]; Congregation of the Sisters of Saint Joseph of Chestnut Hill, Philadelphia [300]; Mercy Investment Services; Unitarian Universalist Congregation at Shelter Rock [281]

### **WESTERN UNION COMPANY (THE)**

#### **Non-Discrimination Policies in States with Pro-Discrimination Laws**

\* NorthStar Asset Management

### **WGL HOLDINGS INC**

#### **Methane Emissions – Measure Leakage & Disclose**

\* As You Sow Foundation

### **WHITING PETROLEUM CORP**

#### **Shale Energy Operations – Quantitative Risk Management**

\* As You Sow Foundation

### **WHOLE FOODS MARKET**

#### **Reduce Food Waste**

Dominican Sisters of Houston, TX [140]; Green Century Capital Management, Inc.; \* Trillium Asset Management Corporation; Trinity Health

### **WHOLE FOODS MARKET**

#### **Board Diversity**

\* NorthStar Asset Management

### **WYNDHAM WORLDWIDE**

#### **Political Contributions**

Mercy Investment Services; Sisters of Providence, Mother Joseph Province [17]; Ursuline Sisters of Tildonk, US Province

### **XCEL ENERGY**

#### **Business Plan for 2C Warming Scenario**

\* Unitarian Universalist Association [6138]

### **XCEL ENERGY**

#### **Stranded Assets Due to Climate Change**

\* As You Sow Foundation

### **XEROX**

#### **Ethical Labor Recruitment**

Dignity Health; \* Mercy Investment Services; Sisters of St. Francis of Philadelphia

### **XPO LOGISTICS**

#### **Assess Human Trafficking/Forced Labor in Supply Chain**

\* Mercy Investment Services

### **YUM! BRANDS**

#### **Non-Therapeutic Use of Antibiotics in Animals**

\* As You Sow Foundation; Benedictine Sisters of Baltimore - Emmanuel Monastery [200]; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of St. Francis of Philadelphia; Trinity Health

### **YUM! BRANDS**

#### **Supply Chain Impact on Deforestation**

\* Sisters of St. Francis of Assisi

### **ZILLOW GROUP**

#### **Board Diversity**

\* Calvert Investment Management, Inc.

### **ZIMMER BIOMET HOLDINGS**

#### **Board Oversight of Product Safety and Quality**

\* Trillium Asset Management Corporation



### Contact Details for Filers

**444S Foundation** — Contact: Fred Ackerman-Munson, P.O. Box 1128, Bellevue, WA, 98009, (phone) 425-454-4441, (email) 444s@kamutlake.net

**ACTIAM** — Contact: George Coppens, Graadt van Roggenweg 250, P.O. Box 679, 3500 AR Utrecht, The Netherlands

**AFL-CIO** — Contact: Corey Klemmer, Corporate Research Analyst, Office of Investment, 815 Sixteenth St. NW, 3rd Fl., Washington, DC, 20006, (phone) 202-637-5379, (email) cklemmer@aflcio.org

**AFSCME** — Contact: John Keenan, Office of Proxy Voting, 1625 L Street NW, Washington, DC, 20036, (phone) 202-429-1232, (fax) 202-429-1298, (email) jkeenana@afscme.org

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**Adrian Dominican Sisters** — Contact: Judy Byron, OP, Coordinator, 1216 NE 65th Street, Seattle, WA, 98115, (phone) 206-223-1138, (fax) 206-223-1139, (email) jbyron@ipjc.org; Mary Minette, (phone) 703-507-9651, (email) mminette@mercyinvestments.org; (website) www.ipjc.org

**Altschuler** — Contact: Daniel Altschuler, 160 Riverside Drive, Apt. 9B, New York, NY, 10024

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**Arjuna Capital** — Contact: Natasha Lamb, Director of Equity Research & Shareholder Eng., 204 Spring Street, Marion, MA, 02738, (email) natasha@arjuna-capital.com

**As You Sow Foundation** — Contact: Amelia Timbers, Energy Program Manager, 1611 Telegraph Ave., Ste. 1450, Oakland, CA, 94612, (phone) 510-735-8153, (email) atimbers@asyousow.org; Austin Wilson, (phone) 510-735-8149, (email) awilson@asyousow.org; Danielle Fugere, President, (phone) 510-735-8141, (email) dfugere@asyousow.org; Mr. Conrad MacKerron, Director, Corporate Social Responsibility, (phone) 510-735-8140, (email) mack@asyousow.org

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**Azzad Asset Management** — Contact: Joshua Brockwell, Investment Communications Director, 3141 Fairview Park Drive Suite, Falls Church, VA, 22042, (phone) 703-207-7005 x109, (email) joshua@azzad.net

**Benedictine Sisters of Baltimore – Emmanuel Monastery** — Contact: Sr. Kathleen White, OSB, President, 2229 West Joppa Road, Lutherville, MD, 21903, (phone) 410-821-5792

**Benedictine Sisters of Mount St. Scholastica** — Contact: Rose Marie Stallbaumer, OSB, Mount St. Scholastica, 801 South 8th, Atchison, KS, 66002, (phone) 913-360-6204, (fax) 913-360-6190, (email) rosemarie@mountosb.org

**Benedictine Sisters of Virginia** — Contact: Sr. Andrea Westkamp, OSB, Treasurer, Saint Benedict Monastery, 9535 Linton Hall Road, Bristow, VA, 20136-1217, (email) awestkamp@osbva.org

**Benedictine Sisters, Sacred Heart Monastery** — Contact: Sr. Tonette Sperando, President, 916 Convent Road NE, Cullman, AL, 35055, (phone) 256-734-4622

**Boston Common Asset Management** — Contact: Lauren Compere, Managing Director, Dir. of Shareowner Engagement, 84 State Street, Suite 1000, Boston, MA, 02109, (phone) 617-960-3912, (email) lcompere@bostoncommonasset.com

**Brainerd Foundation** — Contact: Ann Krumboltz, 1601 Second Avenue, Suite 610, Seattle, WA, 98101, (phone) 206-448-0676, (fax) 206-448-7222

**CCLA** — Contact: Senator House, 85 Queen Victoria Street, London, UK, EC4V 4ET

**Calvert Investment Management, Inc.** — Contact: Stu Dalheim, 4550 Montgomery Avenue, Bethesda, MD, 20814, (phone) 301-961-4754, (fax) 301-654-2960, (email) reed.montague@calvert.com; (website) http://www.calvert.com

## Contact Details for Filers

**Catholic Health Initiatives** — Contact: Ms. Colleen Scanlon, RN, JD, Senior Vice President, Advocacy, 198 Inverness Drive West, Englewood, CO, 80112, (phone) 303-383-2693, (email) colleenscanlon@catholichealth.net

**Center for Community Change** — Contact: Ryan Young, Director of Operations and Finance, 1536 U Street, NW, Washington, DC, 20009, (phone) 202-339-9300

**Chevedden** — Contact: John Chevedden, 2215 Nelson Ave, #205, Redondo Beach, CA, 90278-2453, (email) jr7cheve7@earthlink.net

**Christian Brothers Investment Services** — Contact: Ms. Tracey Rembert, 777 Third Avenue, 29th Fl., New York, NY, 10017-1401, (phone) 212-503-1927, (email) trembert@cbisonline.com

**Christopher Reynolds Foundation, Inc.** — Contact: Mr. Stephen Viederman, 135 E. 83rd Street, Apartment 15A, New York, NY, 10028, (phone) 212-639-9497, (fax) 917-751-4461, (email) sviederman@gmail.com

**City of Philadelphia Public Employees Retirement System** — Contact: Maureen O'Brian, (phone) 312-965-9525, (email) obrien34@gmail.com

**Clean Yield Group** — Contact: Shelley Alpern, 6 Curtis St., Salem, MA, 01970, (phone) 802-526-2525 x103, (email) shelley@cleanyield.com

**Community Church of New York** — Contact: Jeff Loveland, 40 East 35th Street, New York, NY, 10016

**Congregation des Soeurs des Saints Noms de Jesus et de Marie** — Contact: Judy Byron, OP, Coordinator, 1216 NE 65th Street, Seattle, WA, 98115, (phone) 206-223-1138, (fax) 206-223-1139, (email) jbyron@ipjc.org

**Congregation of Benedictine Sisters, Boerne TX** — Contact: Sr. Susan Mika, OSB, P.O. Box 200423, San Antonio, TX, 78220, (phone) 210-348-6704, (fax) 210-341-4519

**Congregation of Divine Providence – San Antonio, Texas** — Contact: Sr. Patricia Regan, CDP, Treasurer, P.O. Box 37345, San Antonio, TX, 78237-0345, (phone) 210-587-1150, (email) pregan@cdptexas.org

**Congregation of Holy Cross, Moreau Province** — Contact: Br. George Schmitz, CSC, 24 Ricardo Street, West Haven, CT, 06516, (phone) 203-933-1673 x208, (fax) 914-237-3916, (email) gcscsc@gmail.com

**Congregation of Sisters of St. Agnes** — Contact: Sr. Sally Ann Brickner, OSF, CSA Justice Coordinator, 320 County Road K, Fond du Lac, WI, 54937-8158, (email) sabrickner@csasisters.org; (website) www.csasisters.org

**Congregation of St. Joseph** — Contact: Sr. Joellen Sbrissa, CSJ, SRI Representative, 1515 W. Ogden Avenue, La Grange Park, IL, 60526, (phone) 708-579-8926, (fax) 708-354-9573, (email) jsbrissa@juno.com; Sr. Mary Ellen Gondeck, Office of Peace and Justice, 975 East Gardenia, Madison Heights, MI, 48071, (phone) 269-381-6290 x412, (email) mgondeck@csjoseph.org

**Congregation of the Sisters of Charity of the Incarnate Word, San Antonio** — Contact: Esther Ng, 4503 Broadway, San Antonio, TX, 78209, (email) esther.ng@amormeus.org

**Congregation of the Sisters of Saint Joseph of Chestnut Hill, Philadelphia** — Contact: Sister Colleen Dauerbach SSJ, Social Justice Coordinator, (phone) 215-248-7220, (email) cdauerbach@ssjphila.org

**Congregation of the Sisters of St. Joseph of Brighton** — Contact: Betty Cawley, CSJ, Justice Promoter, 637 Cambridge St., Brighton, MA, 02135, (phone) 617-746-2102, (email) betty.cawley@csjboston.org; Helen Sullivan, CSJ, Director, Office of Justice and Peace, 637 Cambridge Street, Brighton, MA, 02135

**Convent Academy of the Incarnate Word (Sisters of the Incarnate Word-Corpus Christi, TX)** — Contact: Barbara Marie Netek, 2930 South Alameda, Corpus Christi, TX, 78404, (phone) 512-883-0857, (email) bnetek@stpiusxcc.org; Beatrice Reyes, Treasurer, 2930 South Alameda, Corpus Christi, TX, 78404, (email) breyes@iwbscc.org

**Dana Investment Advisors** — Contact: Ann Roberts, ESG Analyst, 4524 Byron Circle, Irving, TX, 75038, (phone) 817-233-5525, (email) annr@danainvestment.com

**Daniel Altschuler 1986 Trust** — Contact: Daniel Altschuler, 160 Riverside Drive, Apt. 9B, New York, NY, 10024

**Daughters of Charity of St. Vincent de Paul** — Contact: Sr. Valerie Heinonen, o.s.u., Consultant, Corporate Responsibility, 205 Avenue C, #10E, New York, NY, 10009, (phone) 212-674-2542, (email) vheinonen@mercyinvestments.org

## Contact Details for Filers

### **Daughters of Charity, Province of St Louis —**

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**Dignity Health —** Contact: Sr. Susan Vickers, 185 Berry Street, Suite 300, San Francisco, CA, 94107-1739, (phone) 415-438-5511, (fax) 415-591-2404, (email) susan.vickers@dignityhealth.org

**Domestic and Foreign Missionary Society of the Episcopal Church —** Contact: Rev. Brian Grieves, Chair, Cmte. on Corporate Social Responsibility, 815 Second Avenue, New York, NY, 10016, (phone) 917-495-2751, (fax) 212-924-4191, (email) grievesbrian@gmail.com

**Domini Impact Investments LLC —** Contact: Mr. Adam Kanzer, Managing Director & General Counsel, 536 Broadway, 7th Floor, New York, NY, 10012, (phone) 212-217-1027, (fax) 212-217-1101, (email) akanzer@domini.com

**Dominican Sisters of Hope —** Contact: Sr. Valerie Heinonen, o.s.u., Consultant, Corporate Responsibility, 205 Avenue C, #10E, New York, NY, 10009, (phone) 212-674-2542, (email) vheinonen@mercyinvestments.org; (website) www.ophope.org

**Dominican Sisters of Houston, TX —** Contact: Cecile Roeger, O.P., Justice Promoter, 6501 Alameda, Houston, TX, 77021, (email) croeger@domhou.org

**Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name) —** Contact: Sr. Patricia Boss, OP, Chief Financial Officer, 1520 Grand Avenue, San Rafael, CA, 94901-2236, (phone) 415-453-8303 x105

**Dominican Sisters of Springfield Illinois —** Contact: Sr. Marcelline Koch, OP, Director, Corporate Social Responsibility, 1237 W. Monroe Street, Springfield, IL, 62704, (phone) 217-787-0481, (email) smkoch@spdom.org

**Educational Foundation of America —** Contact: Melissa Beck, Executive Director, c/o Foundation Source, 55 Walls Dr., Ste. 302, Fairfield, CT, 06824, (phone) (800) 839-1821

**Everence Financial —** Contact: Chris Meyer, Stewardship Investing Research, 1110 North Main Street, Goshen, IN, 46527, (phone) 574-533-9515 x3291, (fax) 574-534-4381, (email) chris.meyer@everence.com

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**Fonds de Solidarite FTQ —** Contact: Mario Tremblay, 545 boulevard Cremazie Est, Bureau 200, Montreal, QC, H2M 2W4, Canada

**Franciscan Sisters of Mary, St. Louis, MO —** Contact: Gale Thackrey, Justice/Ecological Coordinator, 3221 McKelvey Rd., Suite 107, Bridgeton, MO, 63044, (phone) 314-768-1757, (email) gthackrey@fsmonline.org

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**International Brotherhood of Teamsters** — Contact: Louis Malizia, Assistant Director of Capital Strategies, 25 Louisiana Avenue, NW, Washington, DC, 20001, (phone) 202-624-6800, (email) lmalizia@teamster.org

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**Manhattan Country School** — Contact: Michele Sola, 7 East 96th Street, New York, NY, 10128, (phone) 212-348-0952

**Maryknoll Sisters** — Contact: Cathy Rowan, Corporate Responsibility Consultant, 766 Brady Avenue, Apt. 635, Bronx, NY, 10462, (phone) 718-822-0820, (fax) 718-504-4787, (email) rowan@bestweb.net

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**Max and Anna Levinson Foundation** — Contact: Charlotte Levinson, Executive Director, P.O. Box 6309, Santa Fe, NM, 87502-6309, (phone) 505-995-8802

**Merck Family Fund** — Contact: Jenny D. Russell, Executive Director, 303 Adams Street, Milton, MA, 02186

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**Monasterio De San Benito** — Contact: Rose Marie Stallbaumer, OSB, Mount St. Scholastica, 801 South 8th, Atchison, KS, 66002, (phone) 913-360-6204, (fax) 913-360-6190, (email) rosemarie@mountosb.org

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**New York State Common Retirement Fund** — Contact: Mr. Patrick Doherty, Office of the Comptroller, 633 3rd Avenue, 31st Fl., New York, NY, 10017-6754, (phone) 212-681-4823, (email) pdoherty@osc.state.ny.us

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**Oxfam America** — Contact: Margaret Fleming, Program Specialist, Private Sector Department, 226 Causeway Street, 5th Floor, Boston, MA, 02114-2206, (email) Margaret.Fleming@Oxfam.org

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**Park Foundation** — Contact: Jon Jensen, Executive Director, P.O. Box 550, Ithaca, NY, 14851

**Pax World Fund** — Contact: Mr. Joe Keefe, President and Chief Executive Officer, 224 State Street, Portsmouth, NH, 03801

**Portico Benefit Services (ELCA)** — Contact: Pat Zerega, SRI Consultant, 1421 Eaton Drive, Oakmont, PA, 15139, (phone) 412-414-3587, (email) zeregap@gmail.com

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**Priests of the Sacred Heart, US Province** — Contact: Mark Peters, Director of Justice, Peace and Reconciliation, 7373 S. Lovers Lane Rd., Hales Corners, WI, 53130, (phone) 414-427-4273, (email) justdir@usprovince.org

**Providence Trust** — Contact: Sr. Patricia Regan, CDP, Treasurer, P.O. Box 37345, San Antonio, TX, 78237-0345, (phone) 210-587-1150, (email) pregnan@cdptexas.org

**Province of St. Joseph of the Capuchin Order (Midwest Capuchins)** — Contact: Francis Sherman, 6420 N Lake Dr., Fox Point, WI, 53217, (phone) 630-235-3563, (email) francisxsherman@gmail.com; Rev. Michael Crosby, OFM, CAP, 1015 N. 9th Street, Milwaukee, WI, 53233, (phone) 414-406-1265, (fax) 414-375-7142, (email) mikecrosby@aol.com

**Russell Family Foundation** — Contact: Richard Woo, CEO, P.O. Box 2567, Gig Harbor, WA, 98335, (phone) 253-858-5050

**Sam and Wendy Hitt Family Trust** — Contact: Sam Hitt, P.O. Box 1943, Santa Fe, NM, 87504

**Schoenbaum** — Contact: Bernice Schoenbaum, (email) bas557@aol.com

**School Sisters of Notre Dame Central Pacific Province** — Contact: Linda Jansen, 320 East Ripa Avenue, St. Louis, MO, 63125, (phone) 314-633-7021, (email) ljansen@ssndcp.org

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**School Sisters of St. Francis, Milwaukee** — Contact: Dan Tretow, 1501 S. Layton Blvd., Milwaukee, WI, 53215-1924, (phone) 414-384-4105, (fax) 414-645-7198

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**SHARE** — Contact: Kevin Thomas, Director of Shareholder Engagement, Box 11170, Royal Centre 26th Floor, Vancouver, BC BC V6E 3R5, Canada (phone) 416-992-5392, (email) kthomas@share.ca

**Sierra Club** — Contact: Hamilton Leong, Assistant Treasurer, 2101 Webster St., Ste. 1300, Oakland, CA, 94612, (phone) 415-977-5500

**Sisters of Charity of St. Elizabeth, NJ** — Contact: Sr. Barbara Aires, One Convent Road, P.O. Box 476, Convent Station, NJ, 07961-0476, (phone) 973-290-5402, (fax) 973-290-5335, (email) baires@scnj.org

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### **Sisters of Charity, Halifax —**

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### **Sisters of Notre Dame —**

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### **Sisters of Notre Dame de Namur-Boston —**

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### **Sisters of Providence, Mother Joseph Province —**

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### **Sisters of St. Dominic of Caldwell, NJ —**

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### **Sisters of St. Francis Charitable Trust —**

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### **Sisters of St. Francis of Assisi —**

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### **Sisters of St. Francis of Philadelphia —**

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### **Sisters of St. Joseph of Carondelet of St. Paul**

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### **Sisters of St. Joseph of Orange —**

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### **Sisters of the Holy Family, CA —**

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### **Sisters of the Holy Names of Jesus and Mary, US**

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### **Sisters of the Humility of Mary —**

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### **Sisters of the Presentation of the Blessed Virgin**

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### **Socially Responsible Investment Coalition —**

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### **State of Rhode Island and Providence Plantations —**

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### **SumofUs —**

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**Wallace Global Fund** — Contact: Ellen Dorsey, Executive Director, 1990 M Street, NW, Suite 250, Washington, DC, 20036, (phone) 202-452-1530

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## About ICCR

The Interfaith Center on Corporate Responsibility is a coalition of faith and values-driven organizations who view the management of their investments as a powerful catalyst for social change. Our membership comprises nearly 300 organizations including faith-based institutions, socially responsible asset management companies, unions, pension funds, colleges and universities that collectively represent over \$100 billion in invested capital.

ICCR members and staff engage hundreds of multinational corporations annually to promote more sustainable and just practices because we believe in doing so they will secure a better future for their employees, their customers and their shareholders.

While our coalition engages corporations on a host of environmental, social and governance (ESG) issues, since our inception over four decades ago, our principal focus has been on the social impacts of corporate operations and policies and our engagements are often framed within a human rights construct. Whether the issue is direct deposit advances, increased disclosure of lobbying expenditures or asking a company to prepare a climate risk assessment, at the end it is the impact on people, usually economically vulnerable people, that inspires us to act.

The motivation for our work is grounded in the values and principles of our member organizations and stems from the practical conviction that business leaders who choose to serve the common good build more profitable businesses over the long term. With on-the-ground missions all over the world, many of our faith-based members hear directly from community members about corporate impacts — both positive and negative. We have found that, in order to effectively mitigate the negative impacts of their operations and build sustainable communities where they operate, companies must become disciplined listeners, actively seeking the feedback of all relevant stakeholders, primarily community members, and be prepared to include them in the decision-making process.

ICCR's legacy is living proof that positive corporate transformation is possible and we have pledged to mentor others in this important work.

Please join us.

For more information call 212-870-2936 or visit [www.iccr.org/membership](http://www.iccr.org/membership).



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