



ICCR's 2024 Proxy Resolutions & Voting Guide



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2024 Executive Summary

Who We Are

CCR's guiding principle is that sustainable corporations must look beyond the next earnings report to account for the full impact of their businesses on society and the environment, and must view the well-being of all of their stakeholders—including their workers and the communities where they operate—as integral to their long-term success.

Our global membership comprises a diverse community of institutional investors — faith-based organizations, asset managers, labor unions, pension funds, foundations, academic institutions and other like-minded investors — collectively representing over US\$4T in assets under management. Together, we use our investments as shareholders in some of the world's most powerful corporations to catalyze change on critical environmental and social issues, including worker rights and human rights, the climate crisis, racial justice, and health equity, as well as a range of cross-cutting governance risks including corporate political responsibility. We rely on the expertise and experience of an ever-growing network of NGO and civil society allies and know that our work would not be possible without these partnerships.



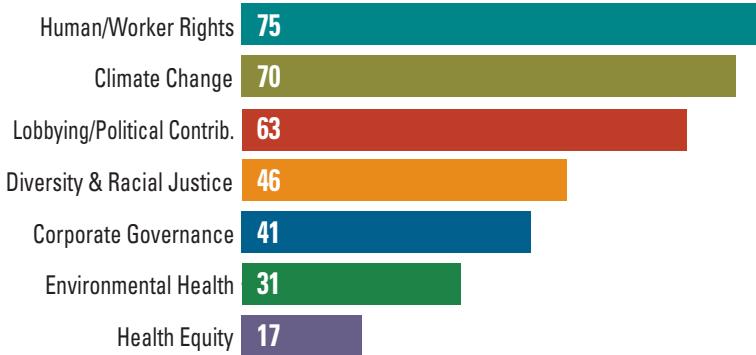
The 2024 Season – Noteworthy Trends

This guide presents the ICCR member-sponsored resolutions — both as lead- and co-filer — filed for 2024 corporate proxies as of February 15. The majority of these proposals will go to a vote at company annual meetings this spring. Some, however, have been challenged by companies or withdrawn by their proponents in light of agreements reached with the companies to implement the proposals' requests. We indicate the current status of proposals in the **Member Resolutions by Company** section which begins on page nine. *To see the full list of shareholder proponents, please visit p. 244.*

ICCR members filed 344 resolutions to date this year, down slightly from the 376 filed last year at this time. In the pages that follow we provide an overview of this season's trends.

If you are an investor, ICCR invites you to practice "active ownership" by reading the proposals in the pages that follow and voting your proxy ballots in favor of those that you can.

344 Resolutions Filed



The Ongoing Attack Against ESG Investing

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

These policy efforts have gathered significant momentum in the past two years with numerous anti-ESG bills introduced in state legislatures across the country and the passage of state laws prohibiting companies doing business with the state from "boycotting" fossil fuels, and other state laws blocking state funds from using ESG factors as a framework for long-term risk. Members of Congress have issued subpoenas to banks, asset managers, and even law firms that support the concept of investing with an ESG lens. Further, organizations like the National Center for Public Policy Research are increasingly entering the corporate proxy process, introducing shareholder resolutions that seek to thwart corporate progress on topics like climate change, racial equity, and accountability in political spending.

Meanwhile, institutional investors, including ICCR members, are under increased scrutiny, and fundamental shareholder rights are facing new pressures. Attorneys General from "anti-ESG" states have issued threatening letters to investors who collaboratively engage on ESG issues alleging anti-trust violations in an attempt to chill collaboration through legal action. Meanwhile, a lawsuit filed in spring 2023 by the National Association of Manufacturers (NAM) and the National Center for Public Policy Research (NCPPR) seeks to undermine the SEC's authority to adjudicate shareholder proposals based on corporate First Amendment grounds (ICCR filed an amicus brief in opposition to the lawsuit). And, in January 2024, ExxonMobil filed a lawsuit against two shareholders, one an ICCR member, in an effort to block their climate proposal from coming to a vote. By circumventing the SEC, Exxon is seeking to intimidate and silence shareholders to prevent debate on critical issues of long-term risk.

All of these anti-ESG efforts are part of the broader attack on all mechanisms to hold corporations accountable for the impact of their policies and practices on people and planet. At the nexus of investors and civil society, ICCR will continue to play a key role in mobilizing policy expertise, legal resources, and investor voices to defend against these ongoing attacks and maintain progress on critical ESG concerns.



Advancing Worker Justice and Human Rights

With 75 proposals accounting for 22% of all member filings, shareholder proposals related to worker rights and human rights are the most popular category this year, just ahead of climate. Seven of these proposals made the case for employers paying their workers a *living wage*. Three proposals laid out the benefits that accrue to companies offering their employees *paid sick leave*.

One of the most effective mechanisms for promoting wage growth and securing workplace rights is collective workplace bargaining. Fifteen proposals addressing *respect for freedom of association* either asked companies to adopt policies based on the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, or spoke to employer interference with attempts to unionize their workplaces. Companies receiving these resolutions included electric vehicle manufacturers Tesla and Rivian, airlines Delta and Skywest, and retailer Amazon.

Other proposals in this group addressed various aspects of workplace safety, including the violence faced by gig workers such as Uber drivers, the difficult conditions faced by railroad workers and cell tower linemen, and the risks gun violence poses to customers and workers in the retail sector. Another proposal encouraged casinos to go smoke-free to protect the health of their workers.

Conflict-affected and high-risk areas (CAHRA) are often the site of egregious human rights abuses and violations of national or international law. Doing business in CAHRA geographies exposes companies to operational and human rights risks. Investors filed eight proposals asking companies to conduct enhanced due diligence on the human rights risks of doing business in conflict zones, with several focusing on the Russian invasion of Ukraine.

Human rights impact assessments (HRIAs) are an invaluable tool that helps companies uncover unaddressed human rights risks in their supply chains and operations. Rigorous HRIAs include significant stakeholder consultation and time-bound action plans for remedying any impacts. Five companies this year were asked to conduct HRIAs.

The use of *Artificial Intelligence* (AI) by large corporations raises significant social policy concerns, including mass layoffs due to job automation, the misuse and exposure of private data, and the creation of “deep fake” media content that may contribute to the dissemination of false information, including election-related messages and hate speech. Eleven proposals filed for this proxy season indicate sharply growing investor concern for AI’s potential impact in a range of areas, from election integrity, to job security, systemic discrimination, and bias in healthcare. Much of this work is jointly coordinated by ICCR and the Investor Alliance for Human Rights.

Investors filed additional proposals with tech companies on topics such as child online safety and the misuse of surveillance tech.

Getting to Net Zero

2023 was the hottest year on record, and the likelihood that 2024 will be even warmer is strong. Despite this grim forecast, global progress towards meeting the 1.5°C-aligned greenhouse gas (GHG) emissions reduction targets called for by the Paris Climate Accord remains far below the needed pace and scale to achieve net zero by 2050. Thirty-seven percent of the world’s largest companies have yet to set a GHG reduction target of any kind. Seeking to spur transformative action toward a clean energy future, ICCR’s members filed 20 proposals this season in a range of industries pressing companies to *implement climate transition plans* with GHG reduction goals aligned with a net zero pathway.

Addressing the crucial role of finance in determining the pace and scale of decarbonization, investors filed five proposals at leading banks asking for disclosures regarding the alignment of lending with a credible net-zero pathway. In addition, five proposals asked companies to align their lobbying with their net-zero ambitions. A new proposal this year called on large asset managers to use “climate stewardship” in addition to proxy voting, to help drive real-world decarbonization. Other new proposals called on oil and gas majors to *accelerate the pace* of their emission reductions in the medium term.

U.S. Election Year Means Special Scrutiny for Corporate Political Spending and Lobbying

For decades, sustainable investors have sounded alarms about the threat that corporate political spending poses to our democratic institutions, as it can cause reputational risk and drive policymaking at all levels of government that places short-term corporate interests over the public interest. As the U.S. enters its 2024 presidential election cycle, companies are facing intense scrutiny from their investors for deeper disclosure of their political activities.

New Resolutions this Year (with lead filers)

Accelerate Plans for Medium-Term Scope 3 GHG Reduction Target (Arjuna Capital)

AI Transparency Report (AFL-CIO)

Amendments to Code of Ethics

(Benedictine Sisters of Mount St. Scholastica)

Ascertain Client Voting Preferences (Corporate Governance)

Assess/Mitigate Potential Health Harms from Non-Sugar Substitutes (CommonSpirit Health, Sisters of the

Sorrowful Mother)

Climate Stewardship Report (Sierra Club Foundation)

Compensation Policy that Optimizes Portfolio Value for Company Shareholders (Nathan Cummings Foundation, The Shareholder Commons)

Deep Sea Mining Disclosure (As You Sow)

Disclosure of Risks Associated with Continued Investment in High Carbon Products (Amalgamated Bank)

Establish Committee on AI Risks (AFL-CIO)

Fair Treatment of Shareholder Nominees

(Corporate Governance)

Generative AI and Misinformation/Disinformation

(Arjuna Capital)

Human Rights Policy Including the Right to Health

(CommonSpirit Health)

Impact of Racial and Ethnic Disparities on Business

(Mercy Investment Services)

Living Wage Disclosure (American Baptist Home Mission Society, Sisters of St. Francis of Philadelphia, Zevin Asset Management)

Net Zero Sector Emissions Alignment (As You Sow)

Paris-Aligned Lobbying—Net Zero Assessment

(CommonSpirit Health, Corporate Governance, Sisters of St. Francis Charitable Trust, Trillium Asset Management)

Public Health Impacts Associated with Products (Gun Manufacturers) (CommonSpirit Health)

Proxy Voting Alignment (Maryknoll Sisters, Mercy Investment Services, Presbyterian Church (USA), United Church Funds)

Reduce Microfiber Pollution (As You Sow)

Report on Anti-Union Expenditures (SOC Investment Group)

Report on Potential Costs Savings through Adoption of No Smoking Policy (Trinity Health)

Investors asked 17 companies to *disclose all their election spending*, and other proposals asked companies to assess *the congruence of their political and electioneering expenditures* with their publicly stated values and policies. Other proposals asked companies to adopt *polices prohibiting the use of corporate or PAC funds for political contributions*. Additional proposals asked companies to adopt *polices requiring all trade and social welfare associations receiving donations to publicly report their own political spending*, providing much-needed disclosure for investors.

Investors continue to express concerns about risks related to corporate lobbying, and this proxy season they asked 36 companies across a range of industries to disclose their payments for direct or indirect lobbying and grassroots communications, as well as their membership in and payments to tax-exempt organizations that write or endorse model legislation. Altogether, ICCR members and their allies filed 63 proposals on corporate lobbying and political spending, making it the third-most popular category this year, up significantly from last year's 39 proposals.

A Human Rights Lens for Health Equity Work

This year, ICCR members filed 17 proposals promoting health equity, many employing an explicit human rights lens. ICCR members asked pharma companies Bristol-Myers Squibb and Eli Lilly to *adopt human rights policies* that include the right to the highest attainable standard of health. Pfizer received a proposal requesting a *human rights impact assessment* covering the company's operations, activities, business relationships and products. Insurer UnitedHealth Group was asked to conduct a third-party audit *analyzing the racial and ethnic disparities* of its business model. Noting that predictive algorithms have already been used to deny patients care, our members asked UHG to issue a transparency report explaining its *use of AI in its operations*.

The Impact of the Largest Asset Managers on Proxy Voting Contests

Large asset managers i.e. BlackRock, Vanguard, State Street, Goldman Sachs, J.P. Morgan Chase, and T. Rowe Price, wield an outsized influence on corporate behavior through their proxy voting on shareholder proposals on behalf of their clients. Their support, or lack of support, can determine whether a given shareholder proposal wins majority shareholder support and is implemented. Despite having previously made public statements acknowledging the severity of the climate crisis, the past few years have seen a marked decline in support from the largest U.S. asset managers for climate-focused proposals – likely in response to increasing pressure from political opponents of ESG investing. ICCR members this year asked asset managers to *review their proxy voting policies and voting records* for climate-focused proposals. They also asked six asset managers to issue *reports on the reputational and financial risks they face from misalignment* between the votes they cast on behalf of their clients and their clients' stated values and preferences.

SEC Challenges

Every year, companies challenge a portion of our members' resolutions at the Securities and Exchange Commission (SEC) seeking to omit them from their proxy ballots, where they become public, are voted on by shareholders, and often garner press attention. Each year ICCR members win the vast majority of these challenges, as they did last year, winning over 82%.

Companies have challenged 42 proposals this year, roughly the same proportion of resolutions as they did at this time last year. Companies cited the grounds of **ordinary business** (28 challenges) twice as often as they did **substantial implementation** (14 challenges). This is a change from last year when companies most frequently utilized the "substantially implemented" grounds for

their no-action requests. Issues seeing the most challenges this year are **corporate governance** (11 challenges – four on fair treatment of shareholder nominees to the board, four on proxy voting, and two on tax transparency) and **climate change** (10), followed by **lobbying & political spending** (7), and **human rights/worker rights** (7).

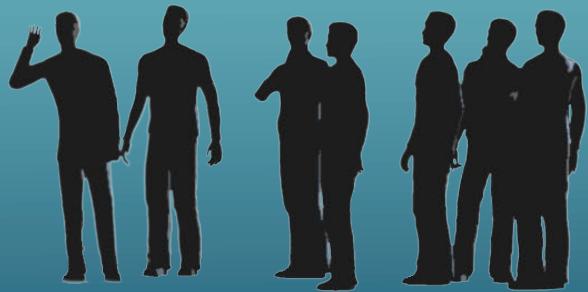
Proposals sent to companies in the banking and financial services sectors received the largest number of challenges this season. Wells Fargo notably took the lead here, challenging four of the five resolutions it received from our members, followed by Bank of America which challenged two out of three, and Citi at one of two.

Withdrawals for Agreement

When companies receive a shareholder proposal they may reach out to the filers and request a dialogue to discuss aspects of the proposal and negotiate a withdrawal. If an agreement between both parties is reached that satisfies the proposal's main requests, filers may choose to voluntarily withdraw it, in which case the proposal will not appear on the company's proxy statement.

Every year ICCR members negotiate over one hundred of these successful agreements with companies. By the end of the 2023 proxy season just over 31% of all resolutions filed were withdrawn for agreements. This year, there are fewer withdrawals, meaning a larger proportion of proposals are headed to proxy contests. As the 2024 season continues to unfold, we will keep you posted on the status of our members' proposals on our website, www.iccr.org.

ICCR Member Resolutions by Company



ICCR Member Resolutions by Company

Company	Resolution	Status	Page
3M Co.	Fair Treatment of Shareholder Nominees	Challenged	87
	Racial Equity Audit	Pending	105
Abbott Laboratories	Fair Treatment of Shareholder Nominees	Challenged	87
	Lobbying Expenditures Disclosure	Pending	237
AbbVie	Lobbying Expenditures Disclosure	Pending	237
	Patents and Access	Pending	148
Adobe Systems Inc.	Eliminating Discrimination through Inclusive Hiring	Pending	219
Advanced Micro Devices, Inc.	Right of Shareholders to Call Special Meetings	Pending	92
Agilent Technologies	Annual Board Election	Withdrawn	86
Alcoa Inc.	Lobbying Expenditures Disclosure	Pending	233
Align Technology Inc.	Environmental & Health Risks Assoc w/ Chemicals in Co. Products	Pending	137
	Greater Disclosure of Material Corporate DEI Data	Pending	100
Alphabet, Inc.	AI Principles and Board Oversight	Pending	201
	Assessing Systemic Climate Risk from Retirement Plan	Pending	74
	Child Safety Online	Pending	193
	Give Each Share an Equal Vote	Pending	89
	Lobbying Expenditures Disclosure	Pending	234
	Paris-Aligned Climate Lobbying—Framework	Pending	57
	Report on Generative AI Misinformation/Disinformation Risks	Pending	198
Altria Group, Inc.	Report on Human Rights Impact of AI Driven Ad Practices	Pending	199
	Political Contributions Misalignment	Pending	230
Amazon.com, Inc	Producer Responsibility for Cigarette Butts	Pending	125
	Customer Due Diligence	Pending	205
American Express Co.	Disclose Material Scope 3 GHG Emissions	Pending	54
	Gender and Racial Pay Gap	Pending	95
	Human Rights Impact of AI Deployment	Pending	200
	Living Wage Disclosure	Challenged	165
	Lobbying Expenditures Disclosure	Pending	235
	Paris-Aligned Climate Lobbying—Framework	Pending	55
	Reduce Plastics Use	Pending	130
	Respect for Freedom of Association and Collective Bargaining	Pending	171
	Workplace Health and Safety Audit	Pending	182
	Paris-Aligned Lobbying—Net Zero	Pending	61
American International Group, Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	29
American Tower Corp.	Gender and Racial Pay Gap	Pending	96

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Company	Resolution	Status	Page
American Water Works Co., Inc.	Environmental Justice Assessment	Pending	119
Ameriprise Financial, Inc.	Lobbying Expenditures Disclosure	Pending	237
Amgen Inc.	Gender and Racial Pay Gap	Pending	96
Amkor Technology	Greater Disclosure of Material Corporate DEI Data	Pending	100
Analog Devices, Inc.	Third Party Human Rights Due Diligence Report	Pending	210
Annaly Capital Management	Political Contributions	Pending	226
Apple Computer, Inc.	AI Transparency Report	Pending	195
	Analyze and Report Risks of Child Sexual Exploit./Abuse	Agreement	192
	Gender and Racial Pay Gap	Pending	96
Applied Materials, Inc.	Gender and Racial Pay Gap	Pending	96
	Lobbying Expenditures Disclosure	Pending	233
Archer-Daniels-Midland Co.	Climate Transition Plan and Long-Term Targets	Pending	42
AT&T Inc.	Disclosure of Health and Safety Violation Prevention Measures	Challenged	184
	Racial Equity Audit	Pending	111
Autodesk Inc.	Right of Shareholders to Call Special Meetings	Pending	92
AutoNation, Inc	Political Contributions	Pending	226
Badger Meter Inc.	Eliminating Discrimination through Inclusive Hiring	Pending	219
Bally's Corp.	Report On Potential Cost Savings thru Adptn of No Smkg Policy	Pending	187
Bank of America Corp.	Ascertain Client Voting Preferences	Challenged	81
	Net Zero Sector Emissions Alignment Disclosure	Challenged	25
	Paris-Aligned Lobbying—Net Zero	Pending	60
Bank of Montreal	Executive Compensation	Pending	88
	Racial Equity Audit	Agreement	106
Bank of New York Mellon Corp.	Lobbying Expenditures Disclosure	Pending	233
Bank of Nova Scotia	Climate Transition Plan and Financed Emission Reduction Goals	Pending	32
Becton Dickinson and Co.	Environmental Justice Assessment	Agreement	121
Berkshire Hathaway Inc.	Greater Disclosure of Material Corporate DEI Data	Pending	100
	Measure, Disclose & Reduce GHG Emiss. Asso. w/ Underwriting	Pending	26
	Railroad Safety Committee	Pending	185
Berry Corp.	Climate Transition Plan and Long-Term Targets	Pending	43
BlackRock, Inc.	Climate Stewardship Report	Pending	30
	Proxy Voting Alignment	Pending	80
Boeing Co.	Climate Transition Plan and GHG Reduction Goals	Pending	36
	Gender and Racial Pay Gap	Pending	97
	Lobbying Expenditures Disclosure	Agreement	237
Boyd Gaming Corp.	Report On Potential Cost Savings thru Adptn of No Smkg Policy	Challenged	187
Bristol-Myers Squibb Co.	Fair Treatment of Shareholder Nominees	Agreement	87
	Human Rights Policy	Pending	152

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Company	Resolution	Status	Page
Broadcom Inc.	Climate Transition Plan and GHG Reduction Goals	Agreement	34
C.H. Robinson Worldwide, Inc.	Climate Transition Plan and GHG Reduction Goals	Agreement	38
Caesars Entertainment Corp.	Report On Potential Cost Savings thru Adptn of No Smkg Policy	Pending	187
Canadian Imperial Bank of Comm.	Executive Compensation	Pending	88
Canadian National Railway	Paid Sick Leave	Pending	180
Capital One Financial Corp.	Lobbying Expenditures Disclosure	Pending	233
Carrier Global Corp.	Lobbying Expenditures Disclosure	Pending	233
Caterpillar Inc.	Lobbying Expenditures Disclosure	Pending	237
CDW Corp.	Lobbying Expenditures Disclosure	Pending	233
Centerpoint Energy	Climate Transition Plan and GHG Reduction Goals	Pending	35
Charles Schwab	Ascertain Client Voting Preferences	Challenged	82
	Gender and Racial Pay Gap	Pending	96
Charter Communications, Inc.	Lobbying Expenditures Disclosure	Pending	237
Chemed Corp.	Sustainability Reporting	Pending	138
Chevron Corp.	Accelerate Plans for Medium-Term (S3) GHG Reduction Target	Pending	47
	Assess Effectiveness of HR Policy Implementation	Pending	215
	Disclosure of Assets with Material Climate Impact	Challenged	68
	Impact of Reduced Plastics Demand on Financial Assumptions	Pending	126
	Independent Board Chair	Pending	84
	Just Transition and Impact of Plant Closure	Pending	62
	Tax Transparency Report	Pending	91
Chipotle Mexican Grill, Inc.	Workplace Health and Safety Audit	Pending	181
Chubb Ltd.	Gender and Racial Pay Gap	Pending	96
	Measure, Disclose & Reduce GHG Emiss. Asso. w/ Underwriting	Challenged	27
Church & Dwight Co., Inc.	Political Contributions	Challenged	226
Citigroup	Ascertain Client Voting Preferences	Challenged	81
	Respect for Rights of Indigenous Peoples	Pending	216
Comcast Corp.	AI Transparency Report	Pending	196
	Political Contributions Misalignment	Pending	229
Comfort Systems USA	Climate Transition Plan and GHG Reduction Goals	Pending	38
ConocoPhillips	Tax Transparency Report	Challenged	91
Constellation Energy Group, Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	35
Crown Holdings Inc.	Political Contributions	Pending	226
CSX Corp.	Railroad Safety Committee	Pending	185
Cummins Inc.	Just Climate Transition Report	Pending	63
	Link Executive Pay and GHG Targets	Pending	75
	Lobbying Expenditures Disclosure	Challenged	237

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Company	Resolution	Status	Page
Danaher Corp.	Greater Disclosure of Material Corporate DEI Data	Pending	100
Darling Ingredients	Greater Disclosure of Material Corporate DEI Data	Pending	100
Delta Air Lines, Inc.	Adopt a Non-Interference Policy Respecting Freedom of Assoc.	Pending	175
	Report on Anti-Union Expenditures	Pending	177
	Require Trade Associations to Disclose Political Contribution	Pending	224
DexCom Inc.	Lobbying Expenditures Disclosure	Pending	233
Dine Brands Global, Inc.	Lobbying Expenditures Disclosure	Pending	238
Disney (Walt) Company / ABC	AI Transparency Report	Pending	196
	Political Contributions Misalignment	Pending	231
DocuSign Inc.	Greater Disclosure of Material Corporate DEI Data	Pending	100
Dow Inc.	Impact of Reduced Plastics Demand on Financial Assumptions	Pending	127
DTE Energy	Climate Transition Plan—Downstream Emissions	Pending	44
Ecolab Inc.	Fair Treatment of Shareholder Nominees	Challenged	87
Edison International	Lobbying Expenditures Disclosure	Pending	233
Edwards Lifesciences	Fair Treatment of Shareholder Nominees	Withdrawn	87
Elevance Health	Require Trade Associations to Disclose Political Contributions	Pending	224
Eli Lilly and Co.	Greater Disclosure of Material Corporate DEI Data	Pending	100
	Human Rights Policy	Pending	152
	Lobbying Expenditures Disclosure	Pending	237
	Patents and Access	Pending	146
Encompass Health Corp.	Greater Disclosure of Material Corporate DEI Data	Pending	100
Expeditors Internat'l of Washington	Climate Transition Plan and GHG Reduction Goals	Pending	38
	Greater Disclosure of Material Corporate DEI Data	Pending	101
Exxon Mobil Corp.	Accelerate Plans for Medium-Term (S3) GHG Reduction Target	Pending	47
	Disclosure of Assets with Material Climate Impact	Challenged	69
	Gender and Racial Pay Gap	Pending	96
	Impact of Reduced Plastics Demand on Financial Assumptions	Challenged	126
	Just Transition and Impact of Plant Closure	Pending	62
	Report on Guyana Oil Spill Economic, Human and Environment	Pending	136
	Tax Transparency Report	Challenged	91
Flowers Foods, Inc.	Effectiveness of Diversity Efforts	Pending	103
Flowserve Corp.	Lobbying Expenditures Disclosure	Pending	233
General Electric Co.	Disclose Risks Assoc. w/ Contd Invest. in High-Carbon Products	Pending	67
General Motors Corp.	Deep Sea Mining Disclosure	Pending	135
GEO Group Inc.	Racial Equity Audit	Pending	108
Gilead Sciences, Inc.	Patents and Access	Pending	147
Global Payments Inc.	Political Contributions	Pending	226

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Company	Resolution	Status	Page
Goldman Sachs Group Inc.	Environmental Justice Assessment	Pending	66
	Gender and Racial Pay Gap	Pending	99
	Lobbying Expenditures Disclosure	Pending	233
	Net Zero Sector Emissions Alignment Disclosure	Challenged	24
	Proxy Voting Alignment	Pending	78
	Workplace Culture: Concealment Clauses	Pending	115
Granite Construction Inc.	Report on Risk of Environmentally High-Risk Projects	Pending	122
Herbalife Ltd.	Greater Disclosure of Material Corporate DEI Data	Pending	100
Hershey Co.	Circular Economy for Packaging	Pending	123
	Living Wage Assessment	Pending	167
Home Depot, Inc.	Biodiversity Impact Assessment	Pending	133
	Climate Transition Plan and GHG Reduction Goals	Pending	41
	Living Wage Disclosure	Pending	165
Honeywell International Inc.	Environmental Justice Audit	Pending	120
Hormel Foods Corp.	Circular Economy for Packaging	Pending	123
HP, Inc.	Lobbying Expenditures Disclosure	Omitted	233
Huntington Ingalls Industries	Lobbying Expenditures Disclosure	Pending	233
Huntsman Corp.	Political Contributions	Pending	226
IDEX	Eliminating Discrimination through Inclusive Hiring	Pending	219
Illinois Tool Works Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	34
Ingredion, Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	40
IBM Corp.	Lobbying Expenditures Disclosure	Pending	233
	Paris-Aligned Lobbying—Net Zero	Pending	61
Intern'l Flavors & Fragrances	Respect for Freedom of Association and Collective Bargaining	Pending	173
International Paper Co.	Biodiversity Impact Assessment	Pending	132
Intuit Inc.	Assessing Systemic Climate Risk from Retirement Plan	Pending	74
Intuitive Surgical, Inc.	Gender and Racial Pay Gap	Pending	98
IQVIA Holdings, Inc.	Political Contributions	Pending	226
ITT Corp.	Political Contributions	Pending	226
J.B. Hunt Transport Services, Inc.	Inclusive Healthcare Coverage Policy	Challenged	154
J.P. Morgan Chase & Co.	Ascertain Client Voting Preferences	Pending	82
	Human Rights Risks in CAHRA Policies	Pending	211
	Net Zero Sector Emissions Alignment Disclosure	Challenged	24
	Proxy Voting Alignment	Pending	79
	Respect for Rights of Indigenous Peoples	Pending	216
Johnson & Johnson	Patents and Access	Pending	147
Jones Lang LaSalle Inc.	Greater Disclosure of Material Corporate DEI Data	Pending	100

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Kellanova	Disclose Risks of Pesticide Use in Agricultural Supply Chains	Pending	139
Keurig Dr. Pepper	Circular Economy for Packaging	Pending	124
Kohl's Corp.	Living Wage Disclosure	Challenged	166
Kosmos Energy	Tax Transparency Report	Pending	91
Kroger Co.	Just Climate Transition Report	Pending	64
	Public Health Costs Created by the Sale of Tobacco Products	Pending	157
	Set Compensation Policy that Optimizes Value for Shareholders	Pending	169
L3Harris Technologies	Lobbying Expenditures Disclosure	Pending	233
Lennar Corp.	Political Contributions	Pending	226
	Report on Plan to Reduce Full Value Chain Emissions	Pending	50
Live Nation Entertainment, Inc.	Political Contributions	Pending	226
Lockheed Martin Corp.	Climate Transition Plan and GHG Reduction Goals	Pending	37
	Political Activities Alignment	Pending	232
Lululemon Athletica Inc.	Reduce Microfiber Pollution	Pending	131
Manhattan Associates, Inc.	Greater Disclosure of Material Corporate DEI Data	Pending	102
Marriott International, Inc.	Civil Rights Audit	Pending	113
	Gender and Racial Pay Gap	Pending	98
	Human Rights Risks in CAHRA Policies	Pending	212
Marvell Technology, Inc.	Political Contributions	Pending	227
MasterCard Inc.	Fair Treatment of Shareholder Nominees	Withdrawn	87
	Lobbying Expenditures Disclosure	Pending	233
Mattel, Inc.	Political Contributions	Pending	226
MAXIMUS, Inc.	Respect for Freedom of Association and Collective Bargaining	Pending	172
McDonald's Corp.	Phase Out Routine Medically Important Antibiotics in Supply Chain	Pending	141
Merck & Co., Inc.	Patents and Access	Pending	149
Meta (Facebook Inc.)	Child Safety Online	Pending	194
	Give Each Share an Equal Vote	Pending	90
	Human Rights Impact Assessment	Pending	203
	Independent Board Chair	Challenged	83
	Lack of Investment in Content Moderation in the Global Majority	Pending	204
	Lobbying Expenditures Disclosure	Challenged	236
	Paris-Aligned Climate Lobbying—Framework	Pending	56
	Report on Generative AI Misinformation/Disinformation Risks	Pending	197
	Report on Political Advertising and False/Divisive Information	Pending	202
Metro, Inc.	Report on Short, Long-Term Science-Based GHG Reduct. Targets	Withdrawn	49
Molina Healthcare Inc.	Political Contributions Misalignment	Pending	228

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Company	Resolution	Status	Page
Mondeléz International, Inc.	Assess Effectiveness of HR Policy Implementation	Pending	214
	End Child Labor in Cocoa Production	Pending	190
Monster Beverage Corp.	Mitigate Water Scarcity Risks	Pending	72
Moody's Corp.	Right of Shareholders to Call Special Meetings	Pending	92
Morgan Stanley	Lobbying Expenditures Disclosure	Pending	233
	Net Zero Sector Emissions Alignment Disclosure	Pending	24
Mosaic Co.	Climate Transition Plan and GHG Reduction Goals	Pending	37
MSCI Inc.	Right of Shareholders to Call Special Meetings	Pending	92
nCino Inc.	Annual Board Election	Pending	85
NCR Corp.	Greater Disclosure of Material Corporate DEI Data	Pending	100
National Beverage	Mitigate Water Scarcity Risks	Spring Filing	72
Netflix, Inc.	AI Transparency Report	Pending	196
	Amendments to the Code of Ethics	Pending	114
Norfolk Southern Corp.	Lobbying Expenditures Disclosure	Pending	233
	Railroad Safety Committee	Pending	185
Northern Trust Corp.	Ascertain Client Voting Preferences	Pending	82
Northrop Grumman Corp.	Political Activities Alignment	Pending	232
NVIDIA	Right of Shareholders to Call Special Meetings	Pending	92
NVR, Inc.	Political Contributions	Pending	226
Occidental Petroleum Corp.	Lobbying Expenditures Disclosure	Pending	233
Old Dominion Freight Line	Climate Transition Plan and GHG Reduction Goals	Pending	36
PACCAR, Inc.	Political Contributions	Omitted	226
Paramount Global	Greater Disclosure of Material Corporate DEI Data	Pending	100
PepsiCo, Inc.	Assess/ Mitigate Potential Health Harms from Non-Sugar Subs.	Pending	155
	Racial Equity Audit	Pending	105
Pfizer, Inc.	Human Rights Impact Assessment	Challenged	151
	Patents and Access	Pending	146
Philip Morris International	Lobbying Expenditures Disclosure	Pending	240
Phillips 66	Impact of Reduced Plastics Demand on Financial Assumptions	Pending	126
PNC Financial Services Group Inc.	Assess Effectiveness of HR Policy Implementation	Pending	208
Public Storage	Climate Transition Plan and GHG Reduction Goals	Pending	39
Restaurant Brands International	Circular Economy for Packaging	Pending	124
	Identify Water Risk Exposure	Pending	73
	Public Health Costs of Antimicrobial Resistance	Pending	142
Rivian Automotive Inc.	Adopt a Human Rights Policy Respecting Freedom of Assoc.	Pending	176
Rollins Environmental Services	Greater Disclosure of Material Corporate DEI Data	Pending	102
Ross Stores, Inc.	Material Value Chain GHG Emissions Disclosure	Pending	52

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Company	Resolution	Status	Page
Royal Bank of Canada	Climate Transition Plan and Financed Emissions Reduction Goals	Pending	32
	Executive Compensation	Pending	88
	Racial Equity Audit	Withdrawn	107
Royal Dutch Shell plc	Align Emissions Reduction Targets with Paris Agreement	Pending	45
RTX Corp. (Raytheon)	Human Rights Impact Assessment	Pending	207
	Lobbying Expenditures Disclosure	Pending	233
	Report on Plan to Reduce Full Value Chain Emissions	Pending	51
Skechers U.S.A.	Material Value Chain GHG Emissions Disclosure	Pending	53
Skywest, Inc.	Adopt a Non-Interference Policy Respecting Freedom of Assoc.	Pending	174
Smith (A.O.) Corp.	Eliminating Discrimination through Inclusive Hiring	Pending	219
Snowflake Inc.	Annual Board Election	Pending	85
Sonoco Products Co.	Political Contributions	Pending	226
Southern Co.	Paris Alignment and GHG Reduction Goals	Pending	48
Southwest Airlines Co.	Climate Transition Plan and GHG Reduction Goals	Pending	34
Spirit Aerosystems	Political Contributions	Pending	226
Sprouts Farmers Market Inc.	Greater Disclosure of Material Corporate DEI Data	Pending	100
Starbucks Corp.	Biodiversity Impact Assessment	Agreement	134
	Lobbying Expenditures Disclosure	Agreement	239
State Street Corp.	Proxy Voting Alignment	Challenged	78
Stryker Corp.	Political Contributions	Pending	226
Sturm Ruger and Company, Inc.	Prioritization Public Health Impacts Assoc. w/Products	Pending	220
T. Rowe Price Associates, Inc.	Ascertain Client Voting Preferences	Pending	82
Target Corp.	Measuring Pesticide Use in Agricultural Supply Chains	Pending	140
	Set Compensation Policy that Optimizes Value for Shareholders	Pending	168
Tesla Inc.	Adopt a Non-Interference Policy Respecting Freedom of Assoc.	Pending	175
	Annual Board Election	Pending	85
	Deep Sea Mining Disclosure	Challenged	135
	Workplace Culture: Concealment Clauses	Pending	116
Texas Instruments Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	34
	Human Rights Risks Related to the Russian Invasion of Ukraine	Challenged	209
Texas Roadhouse, Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	33
The Coca-Cola Co.	Assess/Mitigate Potential Health Harms from Non-Sugar Subs	Pending	155
	Enterprise Policy on Healthiness of Products	Challenged	156
	Workplace Culture: Concealment Clauses	Pending	116
The Travelers Companies, Inc.	Human Rights Risk Report	Pending	217
	Measure, Disclose & Reduce GHG Emiss. Asso. w/ Underwriting	Pending	28
Thermo Fisher Scientific Inc.	Human Rights Impact Assessment	Agreement	206

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Company	Resolution	Status	Page
TJX Companies, Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	34
	Human Rights Due Diligence within Supply Chain	Pending	188
	Paid Sick Leave Policy	Pending	179
T-Mobile USA	Disclosure of Health and Safety Violation Prevention Measures	Pending	184
Toronto-Dominion Bank	Executive Compensation	Pending	88
	Transition Planning	Pending	31
TripAdvisor, Inc.	Assess Effectiveness of HR Policy Implementation	Pending	213
Truist Financial	Lobbying Expenditures Disclosure	Pending	233
Tyson Foods, Inc.	Circular Economy for Packaging	Pending	123
	End Child Labor in the Value Chain	Pending	191
	Paris-Aligned Lobbying—Net Zero	Pending	58
Uber Technologies	Report on Driver Health and Safety	Challenged	186
Union Pacific Corp.	Just Climate Transition Report	Pending	65
	Paid Sick Leave Policy	Pending	178
	Railroad Safety Committee	Pending	185
United Airlines Holdings, Inc.	Loss and Damage Fund for Climate Harms	Agreement	70
United Parcel Service, Inc.	Greater Disclosure of Material Corporate DEI Data	Pending	100
UnitedHealth Group Inc.	AI Transparency Report	Pending	150
	Impact of Racial and Ethnic Disparities in UHG's Business	Pending	153
Upwork Inc.	Annual Board Election	Pending	85
Valero Energy Corp.	Emissions Target and Carbon Offset Policy	Challenged	71
	Racial Equity Audit	Challenged	109
Valmont Industries, Inc.	Disclose Consolidated EEO-1 Report	Pending	104
Veracyte, Inc.	Fair Treatment of Shareholder Nominees	Agreement	87
Verizon Communications Inc.	Cease Political Contributions	Pending	225
	Disclosure of Health and Safety Violation Prevention Measures	Challenged	184
	Lobbying Expenditures Disclosure	Pending	237
	Political Contributions Misalignment	Challenged	228
Vertex Pharmaceuticals Inc.	Gender and Racial Pay Gap	Pending	96
W.W. Grainger, Inc.	Climate Transition Plan and GHG Reduction Goals	Pending	34
Wabtec	Greater Disclosure of Material Corporate DEI Data	Pending	100
Walgreens Boots Alliance	Discarded Cigarette Pollution	Pending	158
	Set Compensation Policy that Optimizes Value for Shareholders	13%	170
Walmart Stores, Inc.	Human Rights Impact Assessment	Pending	189
	Racial Equity Audit	Pending	110
	Set Compensation Policy that Optimizes Value for Shareholders	Pending	168
	Workplace Safety Policy Assessment—Gun Violence	Pending	183

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Company	Resolution	Status	Page
Warner Bros.	AI Transparency Report	Pending	196
Wells Fargo & Co.	Lobbying Expenditures Disclosure	Challenged	233
	Net Zero Sector Emissions Alignment Disclosure	Challenged	24
	Paris-Aligned Lobbying—Net Zero	Challenged	59
	Respect for Freedom of Association and Collective Bargaining	Challenged	173
	Respect for Rights of Indigenous Peoples	Pending	216
Wendy's International, Inc.	Racial Equity Audit	Pending	112
West Pharmaceutical Services	Fair Treatment of Shareholder Nominees	Challenged	87
Westlake Chemical	Plan to Reduce Plastic Production	Pending	128
WestRock Inc.	Update Procurement Policy to Commit to Eliminating Deforestation	Agreement	218
Yelp Inc.	Fair Treatment of Shareholder Nominees	Agreement	87
Yum! Brands, Inc.	Public Health Costs of Antimicrobial Resistance	Pending	142
	Reduce Plastics Use	Pending	129

Climate Change

2023 was the hottest year on record, and the likelihood that 2024 will be still warmer is strong. Despite this grim trend, global progress towards meeting the 1.5°C-aligned greenhouse gas (GHG) emissions reduction targets called for by the Paris Climate Accord is still far below the needed pace and scale. While there is a clear consensus among nations about the need to reduce global GHG emissions to net zero by 2050 (with an interim goal of 45% by 2030), 37% of the world's largest companies have yet to set a GHG reduction target of any kind. Only 67% of fossil fuel companies have made any sort of net-zero commitment, and most have not developed necessary plans to phase out oil and gas production. U.S. companies broadly are still lagging well behind their European peers in setting net-zero targets. Meanwhile, in December, COP28—an annual gathering meant to galvanize the world's nations to combat climate change—resulted in weaker-than-hoped-for commitments.



Climate Change	70
Proposal Topic	Quantity
For the full list of investors who filed these resolutions, see p. 244.	
Climate Transition Plan and GHG Reduction Goals	20
Net Zero Sector Emiss. Alignment Disclosure	5
Paris-Aligned Lobbying—Net Zero	5
Just Climate Transition Report	3
Measure, Disclose and Reduce GHG Emissions	
Associated with Underwriting	3
Paris-Aligned Climate Lobbying—Framework	3
Accelerate Plans for Medium-Term (S3) GHG Reduction Target	2
Assessing Systemic Climate Risk from Retirement Plan	2
Climate Transition Plan and Financed Emissions Reduction Goals	2
Climate Transition Plan and Long-Term Targets	2
Disclosure of Assets with Material Climate Impact	2
Just Transition and Impact of Plant Closure	2
Material Value Chain GHG Emiss. Disclosure	2
Mitigate Water Scarcity Risks	2
Report on Plan to Reduce Full Value Chain Emiss.	2
Align Emissions Reduction Targets with Paris Agreement	1
Climate Stewardship Report	1
Climate Transition Plan—Downstream Emissions	1
Disclose Material Scope 3 GHG Emissions	1
Disclose Risks Associated with Continued Investment in High-Carbon Products	1
Emissions Target and Carbon Offset Policy	1
Environmental Justice Assessment	1
Identify Water Risk Exposure	1
Link Executive Pay and GHG Targets	1
Loss and Damage Fund for Climate Harms	1
Paris Alignment and GHG Reduct. Goals	1
Report on Short, Long-Term Science-Based GHG Reduction Targets	1
Transition Planning	1



Danielle Fugere
President and Chief Counsel
As You Sow

According to the IPCC, the window for limiting global warming to 1.5°C is quickly narrowing. Investor demand for science-aligned GHG reductions reflects the reality that climate change poses a systemic risk to companies and to investor portfolios.

This year, *As You Sow* (AYS) has engaged companies on multiple topics that address risks and opportunities posed by climate change, including the natural gas transition, value chain emissions (scope 3), and deep-sea mining.

The U.S. must end its dependence on natural gas to achieve a net zero economy. Despite this certainty, electric utilities, natural gas local distribution companies, and others in the value chain continue to invest in natural gas infrastructure. This season AYS has engaged energy utilities **CenterPoint Energy**, **Southern Co**, **Duke Energy**, **DTE Energy**, and producer of natural gas turbines **General Electric** on creating feasible transition plans that address investor concerns over the natural gas transition.

Transparent disclosures and targets for scope 3 value-chain emissions remain a top priority for investors. Best practices supported by the Science Based Targets initiative, CA100+ investor network, and Greenhouse Gas Protocol indicate that company disclosures and targets should encompass all material value-chain emissions. AYS has filed resolutions at **Amazon**, **Ross**, **Skechers**, **CenterPoint**, and **Constellation** related to scope 3 value-chain emissions disclosures and targets, focusing on companies and sectors where scope 3 represents the vast majority of the carbon footprint.

AYS is also engaging companies at the forefront of carbon removal technologies developments, including **Occidental Petroleum** and **Linde PLC**, to advocate for best practices that mitigate double counting and prioritize net zero compatibility. It is critical that companies leverage emerging technologies to enhance sustainability ambitions and not substitute for real-world emissions reductions.

ICCR members press their portfolio companies to help facilitate the path to net zero by adopting Paris-aligned short- and long-term GHG reduction targets for their entire value chains (scopes 1–3). We focus on heavy-emitting sectors—oil and gas companies and energy utilities, along with the companies responsible for financing and underwriting them, such as the banking and insurance sectors. Increasingly, our members have been focusing on the importance of a just transition and specifically, climate and environmental justice, as necessary elements in addressing the climate crisis.

Proposals related to the climate crisis (70) accounted for over 20% of all proposals filed by ICCR members in 2024. The largest group of these proposals (20) continued investors' multi-year call for companies to develop climate transition plans with GHG reduction goals. Investors also filed five proposals at leading banks asking for disclosure regarding whether their clients that are not aligned with a credible net-zero pathway will prevent them from meeting their own reduction targets. In addition, members called on companies to align their lobbying with their net-zero ambitions (five). A new proposal this year called on asset manager BlackRock to use "climate stewardship" rather than proxy voting, to help drive real-world decarbonization. Other new proposals called on oil and gas majors to accelerate the pace of their emission reductions in the medium term across Scopes 1, 2, and 3. Other new proposals emphasized the climate risk inherent in the apparel and footwear sectors, which are responsible for 10% of the world's annual carbon emissions, requesting that these companies measure and disclose all their material value chain emissions.

Proxy Resolutions: Climate Change



Pedro Henriques da Silva
Director, Shifting Trillions
Sierra Club Foundation

The United Nations' 2022 declaration of a clean, healthy and sustainable environment as a human right highlights a broader need for firms to understand and address their **environmental justice risk**.

While industry's effects on climate have long taken center stage, its growing impact on health and communities is attracting regulatory and international attention. Fossil fuel development, for example, has been linked to significantly elevated rates of cancers, especially leukemia, and to air, soil, and water contamination for nearby residents. These outcomes disproportionately affect children, workers, and people who are Black, Indigenous, or living in the global south.

Even as companies seek to reduce disparities or abide by international human rights standards, many have not yet adequately assessed the regulatory, reputational, and write-down risks related to these environmental justice concerns. Just recently, pressure from a range of communities across the U.S. led to a federal pause on permitting for liquid natural gas (LNG) exports, to understand the health and other risks involved. This puts financing for existing LNG development, in which several banks, including Goldman Sachs, are heavily entangled, in a precarious position.

Meanwhile, the economic and workforce benefits of the energy transition accrue unequally along lines of race and ethnicity, and most minerals required for electric vehicle, wind turbine, and battery production are concentrated in the Global South, where local people bear environmental harms associated with minerals extraction, and where climate change threatens production collapse. Resultant civic unrest, legislative or regulatory actions, and the systemic risk of a failed transition can lead to stranded assets and reputational harm.

That's why several ICCR members have been engaging U.S. banks to elevate these risks, and why the Sierra Club Foundation (SCF) is leading the filing of a resolution at Goldman Sachs to assess the material risks and opportunities related to the environmental justice impacts of its energy and power sector financing and underwriting.

Environmental Justice

Environmental racism is a systemic risk at the intersection of environmental degradation, the climate crisis and racial injustice. In 2021, the Environmental Protection Agency found that "nearly all emission sectors cause disproportionate exposures for people of color". Corporate failure to adequately assess and mitigate impacts on nearby "fence-line" communities can result in litigation, project delays, and substantial fines.

Goldman Sachs was asked to assess the material risks and opportunities related to the environmental justice impacts of its energy and power sector financing and underwriting.

Climate Transition Plan and GHG Reduction Goals

Getting to net zero will require bold and immediate action. Heavy emitting companies in particular will need to set interim and long-term GHG reduction targets aligned with a net-zero pathway for the full scope of their operations and supply chains and demonstrate to their shareholders that they have plans in place to achieve those goals.

Investors asked 20 companies in a range of industries including AIG, Boeing, Broadcom and Home Depot, to establish near- and long-term science-based GHG reduction targets for the full range of their operational and supply chain emissions, aligned with the Paris 1.5°C goal.

Climate Financing and Underwriting

The world's 60 largest banks have provided the fossil fuel industry with a collective \$5 trillion in financing since the 2016 signing of the Paris Agreement. Continued financing by banks and insurance companies for new fossil fuel projects is prolonging our reliance on unsustainable forms of energy and creating systemic financial risks for diversified shareholders seeking stable returns over the long term.

Proxy Resolutions: Climate Change

ICCR members filed numerous proposals with banks and insurers regarding their financing and underwriting activities this proxy season.

As the severity and frequency of climate-related extreme weather events grows, so too does the financial risk to the insurance industry. Investors asked Berkshire Hathaway, Chubb and The Travelers Company to measure, disclose and reduce the GHG emissions associated with their underwriting, insuring and investment activities. AIG was asked to issue a climate transition plan describing how it intends to align its operation and full value chain emissions with the Paris 1.5°C goal.

ICCR members asked Bank of America, Goldman Sachs, J.P. Morgan Chase, Morgan Stanley and Wells Fargo to issue reports assessing the proportion of their auto manufacturing, energy and power sector emissions attributable to their clients that are misaligned with a credible 1.5°C by 2030 pathway, and to evaluate whether these clients will prevent the banks from meeting their 2030 net-zero targets.

Royal Bank of Canada, Bank of Nova Scotia were asked to disclose their expectations of what a credible transition plan for their clients in sectors most exposed to climate-related risks would be, as well as the banks' procedures for

ensuring these transition plans will enable them to meet their 2030 financed emission interim reduction targets. Toronto-Dominion was asked to disclose how it intends to align its financing with its 2030 sectoral emissions reduction targets.

Just Transition Climate Report

As we transition to a clean energy economy, companies must anticipate and mitigate their impacts on people and communities, which can include potential job losses and involuntary displacement. In addition to these social impacts, mining for the metals and minerals essential to the renewable energy buildout—copper, lithium, nickel, and cobalt—has tremendous environmental impacts.

Investors asked Cummins, Kroger and Union Pacific to report on the impact of their climate change-related strategies on employees, workers in their supply chains and communities where they operate.

Investors again asked Chevron and Exxon to report on the social impact on workers and communities of the closure or energy transition of company facilities and to present any alternatives that could help mitigate the impact of such closures or energy transitions.

Climate-Related Water Risk

Twenty-five countries—home to one-quarter of the world's population—presently face extremely high water stress; at the same time, our current consumption patterns already surpass the rate at which fresh water can be replenished. Climate change is expected to heavily exacerbate water stress worldwide. The World Resources Institute predicts that we will be unable to meet 56% of global water demand in just six years. Companies in the food and beverage sector face particularly high material water scarcity risks in their operations and supply chains.



Proxy Resolutions: Climate Change



Kate Monahan
Director of Shareholder Advocacy
Trillium Asset Management

Maintaining global temperature rise under the 1.5°Celsius required by the Paris Agreement will require historic levels of global collaboration. Although progress is being made, it isn't enough—the UN Environment Programme found in November 2023 that current emissions reductions pledges put the world on track for a 2.5-2.9°C Celsius temperature rise above pre-industrial levels. Corporations can and should make voluntary commitments to reduce their emissions. Ultimately, however, **halting warming will require a robust policy response by governments**. Just 15% of North American companies have set or committed to set targets validated by the Science Based Targets Initiative—and those companies are the climate leaders. Without a policy "floor", companies can continue emitting unabated, dashing hopes of preventing the worst effects of climate change.

Many companies, even ones publicly committed to the Paris Agreement, lobby directly or indirectly to slow or stop progress on climate policy. Indirect lobbying—financially supporting third-party organizations that then go on to lobby—is of particular concern in the United States. Many U.S. companies are members of organizations like the Chamber of Commerce or the Business Roundtable that advocate against climate measures in contravention of the member company's stated climate positions. By funding the limiting of the legislative response, these companies are undermining their own climate goals and putting short-term interests above the long-term sustainability of our portfolios, economies, societies, and environment.

Investors have responded by asking companies to report on how they ensure their direct and indirect lobbying activities align with the Paris Agreement's goals and how management and the board address misalignment. Investors seek a robust analysis of a company's own activities and policy positions as well as of its third-party memberships and donations, including disclosure of clear lines of governance oversight and an escalation plan for non-alignment.

Investors asked Restaurant Brands to issue a report identifying its supply chain water risk exposure and disclose its policies and practices for risk reduction.

ICCR members asked Monster Beverage to issue a report exploring the feasibility of setting time-bound quantitative goals for reducing operational and supply chain water use to mitigate risks related to water scarcity in high-risk areas. A similar resolution is under consideration for the spring at National Beverage.

Paris-Aligned Climate Lobbying

Robust public policy that promotes innovation and investments in renewables, electrification and regenerative agriculture is needed to facilitate a just transition to clean energy. Yet, corporate lobbying frequently seeks to prevent or stall climate legislation and regulation, increasing the risk of physical damage from climate-related events and creating systemic economic risks. For the third year in a row, investors are asking companies to lobby in alignment with their stated net-zero ambitions.

Amazon, Meta and Alphabet all pay dues to trade organizations and other membership organizations that cast doubt on the scientific consensus on climate change. Investors asked them to report on their frameworks for identifying any misalignment between their lobbying and public policy influence activities and their stated climate commitments.

American Express, Bank of America, IBM, Tyson Foods and Wells Fargo have each made industry-leading commitments to reach net-zero emissions. Investors asked these companies to report on how their direct and trade association and welfare organization lobbying supports their net-zero ambitions.

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Net Zero Sector Emissions Alignment Disclosure

J.P. Morgan Chase & Co.

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

WHEREAS: JPMorgan Chase has established a Net Zero by 2050 goal and aligned 2030 emission reduction targets for financing activity in nine sectors, including electric power, oil and gas, and auto manufacturing. Despite investor demand for clearer disclosure of banks' transition planning,¹ shareholders lack information as to whether JPMorgan is on a path to meet its 2030 targets.

Critically, JPMorgan's annual disclosures fail to disclose the impact that high-emitting sectors will have on its ability to meet its 2030 targets. Independent assessments show that most companies in these sectors are failing to align with a Net Zero-aligned 2030 pathway. The Transition Pathway Initiative has assessed that no public companies in the oil and gas sector have 2030 targets aligned with a 1.5°C scenario;² and no public auto manufacturers, besides dedicated electric vehicle manufacturers, are on a Net Zero aligned 2030 pathway.³ Similarly, the cement and steel sectors are not on track with a Net Zero by 2050 Scenario.^{4,5}

As the Institutional Investors Group on Climate Change explains, to deliver on their targets, banks should disclose protocols and strategies specific to each business activity, including "phasing out financing of inconsistent activities which present particular risks... while pivoting financing towards climate solutions."⁶

JPMorgan is the largest global funder of fossil fuels, with nearly \$39 billion in fossil fuel financing in 2022 and \$434 billion between 2016 and 2022.⁷ JPMorgan provides a heatmap of carbon intensity for its lending portfolio, which shows significant credit exposure to high carbon assets.⁸ It further states that it uses a Carbon Assessment Framework to assess its clients' emissions and decarbonization plans. Yet, JPMorgan does not disclose information on client progress in transitioning in alignment with Net Zero by 2050 goals or provide sufficient information to assess the potential for misalignment between JPMorgan's 2030 targets and its clients' transition progress.

The potential for misalignment carries significant risk. If JPMorgan fails to meet its targets, it faces the possibility of reputational harm, litigation risk (including greenwashing), and financial costs.⁹ Failure to meet targets also contributes to systemic climate risk that harms JPMC and investors' portfolios.

RESOLVED: Shareholders request that, for each of its sectors with a 2030 target, JPMorgan Chase annually disclose the proportion of sector emissions attributable to clients that are not aligned with a credible Net Zero pathway, whether this proportion of unaligned clients will prevent JPMorgan from meeting its 2030 targets, and the actions it proposes to address any such emissions reduction shortfalls.

SUPPORTING STATEMENT: At management's discretion, the assessment should take into account all material financing mechanisms and asset classes that contribute to JPMorgan's emissions, including direct lending, underwriting, and investments. Emissions attributable to unaligned clients can be measured using estimates or other appropriate methods.

1. <https://www.asyou sow.org/press-releases/2023/5/16/shareholders-jpmorgan-chase-disclose-climate-transition-plan>
2. <https://www.transitionpathwayinitiative.org/sectors/oil-gas>
3. <https://www.transitionpathwayinitiative.org/sectors/autos>
4. <https://www.iea.org/energy-system/industry/cement#tracking>
5. <https://www.iea.org/energy-system/industry/steel>
6. <https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC-Net-Zero- Standard-for-Banks-June-2023.pdf>, p.9
7. <https://www.bankingonclimatechaos.org/>
8. <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/Climate-Report-2023.pdf>, p.21
9. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/banks-face-mounting-risk-of-fines- regulatory-probes-over-sustainability-claims-74385257>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Net Zero Sector Emissions Alignment Disclosure

Bank of America Corp.

WHEREAS: Bank of America (“BofA”) has established 2030 net zero emission reduction targets for financing activity in the auto, energy, and power sectors and has signed a Net Zero Banking Alliance Commitment Statement.¹ Despite investor demand for clearer disclosure of its transition planning,² shareholders lack sufficient information as to whether BofA is on a path to meet those targets.

Critically, BofA’s annual disclosures lack clear information on the impact that non- or slow-transitioning companies in these high-emitting sectors will have on the Company’s ability to meet its 2030 targets. These omissions leave investors unable to assess the potential for misalignment between BofA’s 2030 targets and its clients’ transition progress, and what actions, if any, BofA is proactively taking to address such misalignment.

Independent assessments show that most companies in these three sectors are failing to align with a 2030 net zero pathway. For example, the Transition Pathway Initiative finds that no public companies in the oil and gas sector have 2030 targets aligned with a 1.5°C scenario.³ This is significant because BofA is the fourth largest global lender and underwriter of fossil fuels.⁴ Similarly, no public auto manufacturers, besides dedicated electric vehicle manufacturers, are on a net zero by 2030 path.⁵

The potential for misalignment carries with it significant risk. The European Banking Authority, which oversees \$72 billion of BofA’s assets, maintains strict greenwashing standards.⁶ If BofA fails to meet its targets, it faces the possibility of litigation, reputational harms, and financial costs. Failure to meet targets will also contribute to systemic climate risk to harm investor portfolios.

BofA must have a fully informed, realistic transition plan in place to meet its goals. A first step is assessing its clients’ likelihood of meeting net zero by 2030 goals. As the Institutional Investors Group on Climate Change explains, “[t]o deliver on their targets and commitments, banks should independently establish and disclose their own individual protocols and strategies specific to each business activity,” which will involve “planning for phasing out financing of inconsistent activities which present particular risks … while pivoting financing towards climate solutions.”⁷ This should include criteria governing financing of misaligned clients and setting firm-wide targets to increase the share of financing, facilitation, and revenue derived from 1.5°C aligned companies and activities.

BE IT RESOLVED: Shareholders request that BofA prepare and issue an assessment of the proportion of the bank’s auto manufacturing, energy, and power sectors’ emissions that are attributed to clients that the bank assesses are not aligned with a credible 1.5°C pathway by 2030, whether this proportion of unaligned clients will prevent BofA from meeting its 2030 net zero targets, and actions it proposes to address any such emissions reduction shortfalls.

SUPPORTING STATEMENT: The assessment should take into account all material financing mechanisms and asset classes that contribute to BofA’s emissions, including direct lending, underwriting, and investments.

1. <https://about.bankofamerica.com/content/dam/about/pdfs/approach-to-zero-2022.pdf>
2. <https://www.asyou sow.org/press-releases/2023/4/25/shareholders-bank-of-america-disclose-climate-transition-plan>
3. <https://www.transitionpathwayinitiative.org/sectors/oil-gas>
4. https://www.bankingonclimatechaos.org/wp-content/uploads/2023/08/BOCC_2023_vF.pdf
5. <https://www.transitionpathwayinitiative.org/sectors/autos>
6. https://d1io3yog0oux5.cloudfront.net/_feac4ff196b6ca5c7bbde354bbf2898d/bankofamerica/db/914/9857/pdf/BANK+OF+AMERICA+EUROPE+DACCANNUAL+REPORT+AND+FINANCIAL+STATEMENTS+FOR+THE+YEAR+ENDED+31+DECEMBER+2022.pdf
7. <https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC-Net-Zero-Standard-for-Banks-June-2023.pdf>, p.9

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting Berkshire Hathaway Inc.

WHEREAS: With the increased severity and frequency of climate-related, extreme weather impacts, financial risk to the insurance industry is increasing year over year. The frequency of natural catastrophes between 2010 and 2022 increased 28% over the prior decade,¹ and catastrophe losses in the first half of 2023 were the highest in over two decades.² Swiss Re reports that with no mitigating actions against greenhouse gas (GHG) emissions increase, there will likely be a global average drop in GDP output of 18% by 2050.³

In 2022, Berkshire Hathaway's insurance underwriting generated a loss of \$90 million compared to earnings of \$657 and \$728 million in 2020 and 2021.⁴

Berkshire is amplifying risk by continuing to invest in and underwrite high GHG-emitting activities. Berkshire owned approximately 12% of all oil and gas assets held by insurance companies in 2019 (\$20.6 billion)⁵ and holds the second largest insurance industry stake in coal, at 7.84%.⁶ In contrast, 41 peer insurers, representing nearly 40% of the market for primary insurance, have withdrawn or reduced coal coverage, a number that doubled in the last two years.⁷

In 2022, a global GHG accounting and reporting standard for insurance emissions launched, providing a standardized methodology to measure and disclose GHG emissions for insurance and underwriting portfolios.⁸ Both the Net Zero Insurance Alliance and the Net Zero Asset Owners Alliance highlight the importance of setting NetZero by 2050 and interim goals for financed and insured emissions to meet the Paris Agreement's 1.5°C goal.

Berkshire does not disclose or set targets for its invested or insured GHG emissions, despite growing climate-related financial risk. Berkshire is falling behind peers. Both Travelers⁹ and AIG¹⁰ have begun disclosing financed emissions; AIG¹¹ and the Hartford¹² have set net zero goals for their insured and financed emissions, as have several European re-insurers including Swiss Re.¹³ Berkshire recently earned a near-zero score on decarbonization metrics in the Climate Action 100+ 2023 Net Zero Company Benchmark.¹⁴

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

SUPPORTING STATEMENT: Shareholders recommend at board discretion, that Berkshire's report include a timeline for when it will begin measuring and disclosing emissions and when it will set and publish a Paris-aligned 2050 emissions reduction goal, with interim targets.

1. <https://www.verzekeraars.nl/media/11456/gfia-report-global-protection-gaps-and-recommendations-for-bridging-them.pdf> , p. 20
2. <https://www.businesswire.com/news/home/20230803387647/en/Inflation-High-CAT-Losses-to-Lead-to-2023-Underwriting-Loss-for-PC-Industry-But-Recession-Likely-Avoided-This-Year-New-Triple-IMilliman-Report-Shows>
3. <https://www.swissre.com/media/press-release/nr-20210422-economics-of-climate-change-risks.html>
4. <https://www.berkshirehathaway.com/2022ar/2022ar.pdf> , p.K-33
5. https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector_%20Research%20and%20Insights.pdf , p.27
6. https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector_%20Research%20and%20Insights.pdf,p.26
7. <https://insure-our-future.com/wp-content/uploads/2023/02/SP-IOF-2022-Scorecard-v0.8-online-3.pdf> ,p.7
8. <https://carbonaccountingfinancials.com/en/newsitem/pcaf-launches-the-global-ghg-accounting-and-reporting-standard-for-insurance-associated-emissions>
9. https://sustainability.travelers.com/iw-documents/sustainability/Travelers_TCFDReport2022.pdf , p.34; https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdf ,p.32
10. https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdf,p.32
11. https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2021.pdf.coredownload.pdf , p.38
12. https://s0.hfdstatic.com/sites/the_hartford/files/sustainability-highlight-report.pdf,p.14
13. <https://www.swissre.com/dam/jcr:5863fb4-b708-4e61-acc7-6ef685461abb/esg-risk-framework.pdf> , p.13
14. <https://www.climateaction100.org/company/berkshire-hathaway/>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

Chubb Limited

WHEREAS: In the United States, annual insured losses from extreme weather now routinely approach \$100 billion, compared to \$4.6 billion in 2000.¹ The Insurance Information Institute has noted that “catastrophe losses in the first half of 2023 were the highest in over two decades.”² Swiss Re reports that a 3.2 degree increase in global average temperature will result in an expected drop in GDP output of 18% by 2050.³

Shareholders are concerned that Chubb is not reducing the climate footprint of its insured, invested, and underwriting activities in alignment with global 1.5°C goals to help reduce growing climate risk. Chubb’s 2023 Q1 pre-tax catastrophe losses were \$458 million, compared to \$333 million last year.⁴ Chubb’s Global Reinsurance segment moved from underwriting profits of \$98 million in 2019 to \$52 million in 2020 to underwriting losses of \$69 million in 2021 and \$24 million in 2022.⁵

Chubb is actively amplifying the problem by continuing to invest in, and underwrite, high greenhouse gas (GHG) emitting activities. Ceres reports that of the 16 largest U.S. property and casualty insurers, Chubb is the fifth largest investor in fossil fuel-fuel related assets, with \$3 billion invested as of 2019.⁶

Chubb was also the fourth largest fossil fuel insurer globally in 2022, providing \$550 to \$850 million of fossil fuel related insurance.⁷ Chubb is reported as providing coverage to the Freeport liquefied natural gas (LNG) terminal in Texas and Louisiana. LNG export facilities lock in decades of high carbon energy production, even while climate related catastrophes cause insurance premiums to skyrocket or insurance to become unavailable in growing areas of the US.⁸

Chubb has not given investors sufficient information on the magnitude and extent of its insured, invested, and underwriting emissions. Standards and methodologies exist to quantify and report such emissions. In 2022, the Partnership for Carbon Accounting Financials launched its Global GHG Accounting and Reporting Standard for Insurance Associated Emissions.⁹

Chubb is behind peers in reporting its emissions. Both Travelers¹⁰ and AIG¹¹ have begun disclosing their financed emissions. European insurers including Swiss Re, Munich Re, Allianz, and Aviva have begun disclosing investment related emissions.¹² Swiss Re also discloses its insurance associated emissions.¹³ Aviva this year plans to disclose and set 2030 targets for its insured emissions.¹⁴

BE IT RESOLVED: Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing the GHG emissions from its underwriting, insuring, and investment activities.

SUPPORTING STATEMENT: As necessary and at management discretion, Chubb can initially base reporting on reasonable emissions estimates and provide a timeline for disclosures.

1. <https://www.iii.org/table-archive/20922>
2. <https://www.businesswire.com/news/home/20230803387647/en/Inflation-High-CAT-Losses-to-Lead-to-2023-Underwriting-Loss-for-PC-Industry-But-Recession-Likely-Avoided-This-Year-New-Triple-IMilliman-Report-Shows>
3. <https://www.swissre.com/media/press-release/nr-20210422-economics-of-climate-change-risks.html>
4. <https://www.insurancejournal.com/news/national/2023/04/26/717942.htm>
5. https://s201.q4cdn.com/471466897/files/doc_financials/2022/ar/2021-Chubb-Annual-Report.pdfp.59
6. https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector_%20Research%20and%20Insights.pdfp.21
7. <https://global.insure-our-future.com/wp-content/uploads/sites/2/2023/11/IOF-2023-Scorecard.pdfp.13>
8. https://lailluminator.com/2023/07/24/ing_insurance/
9. <https://carbonaccountingfinancials.com/en/newsitem/pcaf-launches-the-global-ghg-accounting-and-reporting-standard-for-insurance-associated-emissions>
10. https://sustainability.travelers.com/iw-documents/sustainability/Travelers_SustainabilityReport2022.pdfp.24
11. https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdfp.32
12. https://www.swissre.com/dam/jcr:ec822a14-a4d7-4b6b-b0e2-49ae6036058c/2022-financial-report-doc-en.pdf#page=148 p. 175; https://www.munichre.com/content/dam/munichre/contentlounge/website-pieces/documents/MunichRe-Sustainability-Report_2022.pdf/_jcr_content/renditions/original/MunichRe-Sustainability-Report_2022.pdf p.37; https://www.allianz.co.uk/content/dam/onemarketing/azuk/allianzcouk/about-us/docs/pdfs/social-responsibility/Allianz_Group_Sustainability_Report_2021-web.pdf p.85; https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/ p.67
13. <https://www.swissre.com/sustainability/approach/metrics-targets/net-zero-insurance.html>
14. <https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/ p.45>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

The Travelers Companies, Inc.

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change. Achieving global 1.5°C climate goals “will only be possible if we replace, at scale, the global economy’s productive asset base with non-emissive technologies.

The insurance industry is suffering from climate impacts. As global temperatures increase, annual insured losses from natural catastrophes routinely approach \$100 billion in the U.S., compared to \$4.6 billion in 2000. The Travelers Companies is not exempt, it experienced an increase in pre-tax catastrophe losses over recent years, from \$886 million in 2019 to \$1.88 billion in 2022. Travelers acknowledges that high catastrophe losses “could materially and adversely affect... our financial position....”

While Travelers has developed coal and tar sands policies limiting underwriting and investing in those segments, it has not made a similar commitment in other climate-critical business segments such as oil and gas. The International Energy Agency’s NetZero by 2050 Roadmap notes that fossil fuel use must fall drastically to meet a Net Zero Emissions Scenario, and that no new oil and natural gas fields are required beyond those already approved for development. Insurance companies can thus align with the global Net Zero goal by insuring only existing oil and gas fields, a limitation similar to Travelers’ coal power plant policy, and by reducing investments in high carbon companies, particularly oil and gas companies investing in finding and developing new fields.

Rather than align its insuring, underwriting, and investing activities with the global Parisgoal, however, Travelers amplifies its greenhouse emissions by continuing to invest in and insure high carbon activities. Of the 16 largest U.S. property and casualty insurers, Travelers is the fourth largest investor in fossil fuel-related assets, with \$4.7 billion invested as of 2019. In a survey of 30 global insurers’ climate actions, including oil and gas-related activities, Travelers ranks in the lowest scoring category.

Travelers is falling behind peers in addressing climate change, and the first step in reducing greenhouse gas emissions is measuring them. AIG and The Hartford have set net zero goals for their insured and financed emissions, as have several European re-insurers including Swiss Re. Swiss Re currently discloses its insurance-associated emissions. Aviva this year plans to disclose and set 2030 targets for its insured emissions.

BE IT RESOLVED: Shareholders request that Travelers measure and disclose the greenhouse gas emissions associated with its underwriting and insuring activities in high-carbon sectors, including oil and gas.

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

American International Group (AIG)

WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net-zero by 2050 in order to limit global warming to 1.5°C and avoid increasingly severe physical, transition, and systemic risks for companies and investors.

Property and casualty insurers have a unique relationship to climate risk. They underwrite policies for and invest in the fossil fuel industry, which is responsible for ~90% of annual global carbon dioxide emissions, while simultaneously writing policies meant to protect their customers' homes and businesses from the impacts of climate driven catastrophes.¹ The worsening climate crisis has provoked more frequent and severe catastrophes, harming insurers who then impose further costs onto already climate impacted customers.²

AIG committed to reaching net-zero GHG emissions across its underwriting and investment portfolios by 2050 and committed to using science-based emissions reduction targets, aligning with the latest climate science to meet the goals of the Paris Agreement. In doing so, it recognizes the business imperative of reducing GHG emissions and preparing for the transition to a low carbon economy.

Recent high profile reversals of company commitments to set science-based targets have prompted investors to seek assurance that companies have comprehensive strategies sufficient to meet their stated targets. Developing a climate transition plan is an emerging best practice that meets this need. Transition plans are forward looking, near- and medium-term sets of actions a company will take to align its GHG emissions, business strategies, governance structures, and external policy engagement with a 1.5°C scenario in a just and equitable manner.

Over 4,100 organizations disclosed to CDP that they have 1.5°C aligned transition plans; however, only 45 percent were public, and only 12.6 percent covered key elements of credible transition plans.³ By preparing and publishing a credible transition plan, companies can mitigate reputational and regulatory risks and maintain investor confidence.

RESOLVED: Shareholders request AIG issue a climate transition plan, above and beyond existing disclosures, describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5°C. The plan should be published on a reasonable timeline and at reasonable expense, exclude confidential information, and detail progress and any plan updates on an annual basis.

SUPPORTING STATEMENT: In developing and implementing the plan, we recommend, at management's discretion:

- Providing forward looking, near-term and medium-term strategies, metrics, and milestones for achieving the Company's GHG emissions reduction targets across decarbonization, governance, policy advocacy, and just transition components;
- Considering transition plan guidance by advisory groups such as the Transition Plan Taskforce, United Nations' High Level Expert Group on Net Zero Emissions, and We Mean Business Coalition.

1. <https://www.un.org/en/climatechange/science/causes-effects-climate-change>
2. <https://www.nytimes.com/2023/10/12/realestate/as-natural-disasters-get-worse-so-do-home-insurancepremiums.html>
3. https://cdn.cdp.net/cdpproduction/cms/reports/documents/000/006/785/original/Climate_transition_plan_report_2022_%2810%29.pdf?1676456406. Pg7.

Climate Stewardship Report

BlackRock, Inc.

WHEREAS: There is increasing misalignment between clients' interests and BlackRock's climate stewardship.

A growing number of BlackRock clients are calling for real-world decarbonization:

BlackRock has stated that climate change is its clients' highest priority issue¹ and "a rapidly growing share" have "already committed to net-zero aligned portfolios."² Clients including New York City pension funds, the Government Pension Fund of Japan (the world's largest), and Seattle City Employees Retirement System have withdrawn or threatened to withdraw funds over concerns that BlackRock inadequately manages sustainability risks. Real economy decarbonization is a stated goal of Paris Aligned Asset Owners, Net Zero Asset Owners Alliance, Climate Action 100+ (which BlackRock is a member of), and U.N. Principles for Responsible Investment (UNPRI) Active Ownership 2.0. BlackRock's existing and potential clients include their signatories. Without additional climate mitigation efforts, BlackRock estimates losses to the global economy of up to 25%³ by mid-century. This will devastate long-term portfolio returns. Real-world decarbonization will help mitigate these risks to long-term and broadly diversified investors, who are disproportionately exposed to market performance.

90% of BlackRock's equity portfolio is held in index-tracking passive funds, which cannot mitigate risk via portfolio construction.⁴ BlackRock's pensions business constitutes 30% of total assets under management (AUM).⁵ Pensions have a duty of impartiality that requires protection of long-term plan viability and future distributions. BlackRock's 2023 10-K acknowledges that reputational perception regarding climate impacts could increase company costs, and that climate risks could have adverse impact on clients' investments or reduce AUM, revenue, or earnings.

Yet, BlackRock has explicitly stated that its role is "not to engineer a specific decarbonization outcome in the economy," a position arguably at odds with BlackRock's own assertions:

"Climate risk is investment risk"⁶ Investors "have a meaningful role to play" in transitioning to a low-carbon economy⁷ "We have a responsibility to engage with companies to understand if they are adequately...managing sustainability-related risks, and to hold them to account...if they are not."⁸ An "orderly [energy] transition would result in higher economic growth...and would create a more constructive macro environment for financial returns for our clients."⁹ In 2020, BlackRock committed to strengthen its stewardship activities¹⁰ as an essential part of its investment approach, yet BlackRock focuses on portfolio companies' governance and disclosures, and its voting choice program. Generalized governance concerns don't necessarily address decarbonization. UNPRI, of which BlackRock is a member, notes that corporate disclosures are not sufficient to deliver outcomes.¹¹ And client choice is not stewardship.

RESOLVED: Proponents request the Board of Directors produce a report specifying whether and how BlackRock could use stewardship (other than proxy voting policies) to better address clients' demands to go beyond disclosure to effectuate real-world decarbonization.

1. <https://www.blackrock.com/corporate/investor-relations/2021-larry-fink-ceo-letter>
2. <https://www.blackrock.com/corporate/sustainability/2030-net-zero-statement>
3. <https://www.blackrock.com/us/individual/insights/blackrock-investment-institute/investing-in-climate-awareness>
4. <https://www.blackrock.com/corporate/literature/publication/annual-stewardship-report-2022.pdf>
5. https://s24.q4cdn.com/856567660/files/doc_financials/2023/ar/BLK_AR22.pdf
6. <https://www.blackrock.com/corporate/investor-relations/2020-larry-fink-ceo-letter>
7. <https://www.blackrock.com/corporate/investor-relations/2020-larry-fink-ceo-letter>
8. <https://www.blackrock.com/corporate/investor-relations/2020-blackrock-client-letter>
9. <https://www.blackrock.com/corporate/literature/publication/annual-stewardship-report-2022.pdf>
10. <https://www.blackrock.com/corporate/investor-relations/2020-blackrock-client-letter>
11. <https://www.unpri.org/download?ac=9721>

Transition Planning

Toronto-Dominion Bank

RESOLVED: Shareholders request that TD disclose transition activities that describe how it will align its financing with its 2030 sectoral emissions reduction targets, including specific measures and policies to be implemented, reductions to be achieved by such planned measures and policies, and timelines for implementation and associated emission reductions.

SUPPORTING STATEMENT: This is the second year filing this proposal. Last year, 28.9% of shareholders broke with management – 23.5% voting for and 5.4% abstaining.

The core of the proposal is that TD continues to be vague regarding what actions it intends to take, or how its day-to-day business practices will change to meet its 2030 emissions reduction targets. Clearly articulated transition activities are increasingly urgent in light of the fact that TD had the largest jump of any global bank in its fossil fuel financing between 2021 and 2022, adding US \$7.3 billion (34%) for a total of US \$29 billion.¹

Since last filing, the bank continues to do a fair job of measuring its financed emissions and describing its climate governance processes. It has also set interim emissions reduction targets for its most carbon-intensive portfolios. But, we are yet to hear what it will actually do differently at the deal level and in client engagement to drive down its climate transition risk and increase exposure to climate opportunities.

Indeed, the September 2023 investor-led Transition Pathway Initiative's global bank assessments found TD's transition activities to be lacking, scoring TD at just 4% for its Decarbonization Strategy and 33% for the Climate Solutions category.² I4PC's 2023 Canadian Net Zero Report Card also highlights TD's ongoing transition plan gaps.³

Meanwhile, net-zero transition guidance continues to grow. Guidance was published by the IIGCC (June 2023)⁴ and UK Transition Taskforce (Nov. 2023).⁵ Both build on GFANZ guidance.⁶ Each outlines the need for banks to establish lending criteria that align with a 1.5 degree scenario and clearly defined climate solutions financing policies, among other things.

This past year we have seen other Canadian banks announce some specific transition activities. National Bank set a target to increase its renewable energy lending faster than its fossil fuel lending; CIBC began quantitatively reporting on its assessment of client transition plans; BMO established a \$350 million sustainability solutions fund (vs. vague "sustainable finance" targets like TD's Sustainable and Decarbonization Financing) and aligned its lobby policy with the Paris Agreement.

Globally, G-SIB peer banks are progressing faster. For example, HSBC committed not to finance new oil and gas fields (Dec. 2022). BNP Paribas will no longer arrange bond deals for issuers intending to use proceeds to finance new fossil-fuel exploration and production (June 2023).

By the time of TD's 2024 AGM it will have been 3.5 years since TD made its net zero commitment, with less than 6 years remaining to hit its 2030 targets. Without greater clarity regarding what actions TD will implement, investors are concerned that TD's transition risk continues to grow.

1. www.bankingonclimatechaos.org/wp-content/uploads/2023/08/BOCC_2023_vF.pdf
2. www.transitionpathwayinitiative.org/banks/toronto-dominion-td
3. https://www.investorsforparis.com/wp-content/uploads/2023/07/I4PC_Banks-report-card-2023.pdf (at 13)
4. <https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC-Net-Zero-Standard-for-Banks-June-2023.pdf>
5. <https://transitiontaskforce.net/disclosure-framework/>
6. www.td.com/content/dam/tdcom/canada/about-td/pdf/td-investor-2023-proxy-en.pdf (at 90)"

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and Financed Emissions Reduction Goals

Bank of Nova Scotia

A similar resolution was submitted to Royal Bank of Canada.

RESOLVED: Shareholders request that Scotiabank disclose, at reasonable cost and omitting proprietary information, 1) its expectations of what a credible transition plan is for clients in sectors most exposed to climate-related risks and 2) procedures to ensure these transition plans will help Scotiabank reach its 2030 interim targets to reduce the financed emissions associated with its lending portfolios.

SUPPORTING STATEMENT

Climate change is a global crisis that requires urgent action. Exceeding a 1.5°C warming scenario presents risks to the planet, economies, investors, and ultimately to the long-term profitability of banks: projections have found that limiting global warming to 1.5° degrees will save \$20 trillion globally by 2100, while exceeding 2 degrees could lead to climate damages in the hundreds of trillions. Estimates show that 10% of global economic value stands to be lost by 2050 under current emissions trajectories.¹

Reflecting this, Scotiabank states that climate change is one of the most pressing issues of our time and has the potential to pose significant risk to the bank's business.² Investors strongly agree with this sentiment and feel the bank can be a leader in the climate space.

The bank's ability to meet its net-zero target relies on disclosure and reduction of financed emissions. Publishing emissions data associated with Power and Utilities, Oil and Gas, Residential Mortgages, and Agriculture lending is a positive first step. Additionally, the existing target to achieving net-zero emissions by 2050 and associated 2030 interim targets for the Oil & Gas, and Power & Utilities portfolios bolsters the bank's commitment to climate.

Despite this, investors are left with significant uncertainty around Scotiabank's ability to meet these targets and thrive in a carbon constrained economy. Investors lack key information such as the proportion of clients who are misaligned with the bank's climate targets, the timeline for reporting on additional sectors' financed emissions, and expectations of existing and future client's transition plans calls decarbonization targets into question. While Scotiabank has referenced communication of climate ambitions with clients, investors continue to lack clarity on how expectations and standards are conveyed, and how climate ambitions shape the lending process.

Several of Scotiabank's peers provide more clarity on how they are implementing transition plans. For instance, CIBC has disclosed their Carbon Risk Scoring Methodology and a weighted average aggregate score of client transition preparedness while ING and UBS both provide details on their lending strategies and sector alignment. Standards and guidelines exist to help financial institutions and their clients operationalize net zero commitments and can help ensure investors that Scotiabank has appropriate strategies in place to meet 2030 targets.

From an investor vantage point, failing to set these expectations could expose Scotiabank to material financial risks, including (but not limited to): significant counterparty risks due to stranded assets, declining credit quality, increased risk in other portfolios, and loss of goodwill. The disclosures requested in this proposal will help assure investors that both Scotiabank and its clients have effective, accountable transition plans in place for achieving 2030 emissions reduction goals.

1. <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html>
2. https://www.scotiabank.com/content/dam/scotiabank/corporate/Documents/Scotiabank_Net_Zero_Report_2022-EN.pdf

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Texas Roadhouse, Inc.

RESOLVED: Shareholders request Texas Roadhouse issue a report, at reasonable cost and omitting proprietary information, describing if and how it plans to reduce its total GHG emissions and align its business with the Paris Agreement's goal of limiting global temperature increases to 1.5°C.

WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5°C.

Every incremental increase in temperature above 1.5°C will entail increasingly severe physical and transition risks to companies, investors, and the economy. Climate change mitigation is critical to address investment risks and avert the economic losses projected if sufficient action is not taken.

The global food system contributes one third of global GHG emissions. Left unmitigated, these emissions can derail efforts to limit warming to 1.5°C. The 2018 National Climate Assessment identified rising temperatures as "the largest contributing factor to declines in the productivity of U.S. agriculture" and noted that "climate change presents numerous challenges to sustaining and enhancing crop productivity [and] livestock health."

While Texas Roadhouse has disclosed operational emissions and committed to disclosing supply chain emissions by the end of 2024, the Company has failed to mitigate climate-related financial risks by disclosing a comprehensive strategy to reduce its total contribution to climate change. Food service peers—including Chipotle, McDonald's, and Yum! Brands—are addressing a broad set of climate-related financial risks by setting and implementing 1.5°C-aligned science-based targets inclusive of their full value chains.

By failing to proactively manage value chain emissions, Texas Roadhouse is contributing to incremental increases in global temperature rise above 1.5°C, which will impact the Company's access to critical commodities, procurement and production costs, and long-term resilience to transition risks associated with new regulation and global decarbonization.

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

- Paris-aligned short-, medium-, and long-term emissions reduction targets for the Company's full GHG footprint, taking into consideration approaches used by advisory groups like the Science-Based Targets Initiative; and
- a transition plan detailing how the Company intends to achieve such targets, including strategies for mitigating physical and transition climate risks, taking into consideration criteria used by advisory groups such as the Task Force on Climate-related Financial Disclosures, CDP, Transition Plan Taskforce, and the We Mean Business Coalition.

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Southwest Airlines Co.

Similar resolutions were submitted to Broadcom Inc., Illinois Tool Works Inc., Texas Instruments Inc., TJX Companies, Inc., and W.W. Grainger, Inc.

WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5°C. Every incremental increase in temperature above 1.5°C will entail increasingly severe physical and transition risks for companies and investors alike.

In its 10-K filed in February 2023, Southwest Airlines (“Southwest” or “the Company”) acknowledges it is “subject to various environmental requirements and risks, including increased regulation, changing consumer preferences, physical, environmental, and climate risks, and risks associated with climate change.”

Though Southwest has a goal to reach net zero by 2050 with supporting interim goals, its targets lack validation as aligned with limiting warming to 1.5 degrees Celsius. While it is a positive sign that Southwest intends to develop a 1.5°C-aligned transition plan per its 2022 CDP report, it is important for investors to understand how both the Company’s targets and its implementation plans are sufficiently ambitious to minimize climate-related risks.

Four of Southwest’s primary competitors, American, Delta, United, and JetBlue have near-term targets to reduce jet fuel GHG emissions from initial sourcing and production to use by 45% or more by 2035 validated by the Science Based Targets initiative (SBTi). United and Delta have both committed to SBTi’s net zero standard. More robust, validated targets and planning on par with its peers may strengthen Southwest’s industry competitiveness.

Investors increasingly seek disclosure of how companies are addressing climate risks and opportunities; emissions reduction targets to position their business for success in the transition to a low carbon economy; and climate transition plans – detailing the forward-looking, near-term, and quantitative actions the company will take to achieve its sustainability goals.

Investors believe adopting 1.5°C-aligned science-based targets for its full value chain and developing a robust climate transition plan will help the Company mitigate physical, regulatory, and reputational risks.

RESOLVED: Shareholders request that Southwest Airlines disclose near- and long-term science-based greenhouse gas emissions reduction targets aligned with the Paris Agreement’s ambition of limiting global temperature rise to 1.5 °C and summarize plans to achieve them. The targets and plan should cover the Company’s full range of operational and supply chain emissions.

SUPPORTING STATEMENT: In assessing targets, we recommend, at management’s discretion,

- Taking into consideration approaches used by advisory groups like the Science Based Targets Initiative; and
- Developing a transition plan that shows how the Company plans to meet its goals, taking into consideration criteria used by advisory groups such as the Task Force for Climate-related Financial Disclosures, CDP, Transition Plan Taskforce, and the We Mean Business Coalition.”

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Constellation Energy Group, Inc.

A similar resolution was submitted to Centerpoint Energy.

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required to stave off the worst consequences of climate change.¹ Energy utilities play a critical role in the net zero transition, as electricity generation accounts for 25% of U.S. greenhouse gas emissions and natural gas used for space heating, hot water, and cooking accounts for more than 10%.²

A cornerstone of the International Energy Agency's 2023 Net Zero Scenario is that advanced economies must achieve net zero emissions from power generation by 2035.³ To reach this target, power utilities must mitigate emissions from their entire value chain, including emissions associated with upstream production of gas, downstream burning of gas by customers, and purchased power from the grid.

In alignment with the global Net Zero Paris goal, the Climate Action 100+ Net Zero Benchmark and The Science Based Targets initiative include that companies set net zero and interim emission reduction targets inclusive of all relevant Scope 3 emissions.⁴

Constellation Energy Corporation remains substantially unaligned with global Net Zero goals and investor expectations. While it has set interim and net zero emission reduction targets for its Scope 1 and 2 operational emissions, this leaves at least 90% of its value chain emissions unaddressed.⁵ The actual percentage may be higher, considering Constellation has not disclosed emissions from capital goods or upstream emissions from fuels used for generation.⁶

By contrast, peer utilities are accounting for value chain emissions in their reduction targets. NRG has committed to set a net zero target through the Science Based Targets initiative, requiring inclusion of Scope 3 emissions.⁷ Sempra, Duke, and Dominion set net zero targets covering their full Scope 3 value chain emissions, and Xcel and CMS have expanded their net zero targets to include customer use of natural gas.

Failing to set targets that address the full range of its greenhouse gas emissions exposes our company to increasing physical, regulatory, and market risks. By setting 1.5°C-aligned targets inclusive of its entire value chain, Constellation can solidify its climate leadership, mitigate its climate-related risks, and capitalize on the value-creating opportunity of the net zero economy.

BE IT RESOLVED: Shareholders request Constellation adopt interim and long-term reduction targets across its full range of value chain emissions in alignment with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at management discretion, the Company:

- Provide a timeline for setting 1.5°C-aligned 2050 and interim targets;
- Provide an enterprise-wide climate transition plan to achieve net zero emissions for its full value chain emissions; and
- Annually report progress towards meeting value chain emission reduction targets.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf, p.20
2. <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>;
<https://rmi.org/now-is-the-time-to-go-all-in-on-heat-pumps/>
3. https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReaching-2023Update.pdf, p.63; <https://www.iea.org/energy-system/buildings>
4. <https://www.climateaction100.org/wp-content/uploads/2023/10/CA100-Benchmark-2.0-Disclosure-Framework-Methodology-Confidential-October-2023.pdf>, p.
5. <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>, p.315
<https://www.constellationenergy.com/content/dam/constellationenergy/pdfs/Constellation-2023-ESG-Data-Index-Factsheet.pdf>, p.5-6
6. https://www.constellationenergy.com/content/dam/constellationenergy/pdfs/CEG_CDP_Climate_Change_Questionnaire_2023_Submitted_web.pdf, p.85-86
7. <https://sciencebasedtargets.org/companies-taking-action/case-studies/nrg>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Boeing Company

A similar resolution was submitted to Old Dominion Freight Line.

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹

Decarbonizing the industrial and aviation industries is a critical component of global decarbonization, according to the International Energy Agency.² Investor demand for science-aligned emission reductions and transition planning reflects the reality that climate-related risk-exposure is growing alongside proposed and implemented regulations.³

Boeing is subject to substantial emerging regulation and increasing costs in the U.S. and abroad regarding its emissions-intensive processes and products.⁴ The Federal Supplier Climate Risks and Resilience Proposed Rule would require large federal contractors, such as Boeing, to disclose Scope 1,2, and 3 emissions and set science-based emissions reduction targets.⁵ By reducing emissions from its full value chain, Boeing can reduce regulatory burdens and better assess technological changes, capital deployment, and financial opportunities.

Boeing's disclosures lack forward-looking and quantitative action plans to reduce value chain emissions in line with the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius (1.5°C). The Company's current commitments do not set a target to reduce value chain emissions, which comprise 99% of its total emissions, and rely largely on carbon offsetting. With increasing investor scrutiny on emissions reduction claims, Boeing's use of carbon offsetting exposes the Company to increasing risk of reputational damage or litigation.⁶ Furthermore, over the past two years, Boeing's total emissions continue to increase.⁷ While Boeing supports the commercial aviation industry's ambition to achieve net-zero emissions by 2050, the Company does not have a value chain emissions reduction target covering its own enterprise. Industry collaboration will be indispensable in decarbonizing; however, Boeing can also position itself through proactive planning and governance to reduce risks and lead in sustainability. Aviation and industrial companies are galvanizing action and investment toward decarbonizing. Peers BAE Systems, Safran, Ford, and Honeywell have established targets through the Science Based Targets initiative and have measurable emission reduction targets across their value chains.⁸

By setting science-aligned emission reduction targets across its full value chain and providing a comprehensive transition plan, Boeing can improve against peers, prepare for regulation, and position itself to maximize benefits from climate-related opportunities.

RESOLVED: Shareholders request that Boeing adopt a value chain emission reduction target covering all non-de minimis emission categories in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions by 2050 or sooner.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, that the Company:

- Disclose a timeline for setting 1.5°C-aligned near-term emission reduction targets;
- Disclose a timeline for setting long-term net zero goals including the full value chain; Include an enterprise-wide climate transition plan to achieve emissions reduction goals across all relevant emission scopes;
- Annually report progress towards meeting value chain emission reduction goals.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdfp.20

2. https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf p.87,p.88

3. <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>; <https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>

4. https://www.boeing.com/resources/boeingdotcom/principles/environment/pdf/Boeing_CDP_Climate_Response_Final.pdf,p.10; <https://www.ft.com/content/7a0dd553-fa5b-4a58-81d1-e500f8ce3d2a>; <https://www.npr.org/2023/10/12/1205068747/climate-change-emissions-companies-disclosure-sec-california>

5. <https://www.sustainability.gov/federalsustainabilityplan/fed-supplier-rule.html>

6. <https://www.theguardian.com/environment/2023/may/30/delta-air-lines-lawsuit-carbon-neutrality-aoe>

7. https://www.boeing.com/resources/boeingdotcom/principles/environment/pdf/Boeing_CDP_Climate_Response_Final.pdf,C6; https://www.cdp.net/en/formatted_responses/responses?campaign_id=74241094&discloser_id=891610&locale=en&organization_name=Boeing+Company&organization_number=2017&program=Investor&project_year=2021&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F2021%2Fdbbr64mv%2F145284&survey_id=73557641,C6

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

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Lockheed Martin Corporation

A similar resolution was submitted to Mosaic Co.

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹

Decarbonizing the aviation industry is a critical component of global decarbonization, according to the International Energy Agency.² Investor demand for science-aligned emission reductions and transition planning reflects the reality that climate-related risk exposure is growing.³

Lockheed Martin is subject to substantial emerging regulation and increasing costs in the US and abroad regarding its emission-intensive operations and products.⁴ For instance, the proposed Federal Supplier Climate Risks and Resilience Rule would require large federal contractors, such as Lockheed Martin, to disclose Scope 1, 2, and 3 emissions and set science-based emissions reduction targets.⁵ By reducing emissions from its full value chain, Lockheed Martin can reduce regulatory burdens and better assess technological changes, capital deployment needs, and financial opportunities.

Lockheed Martin's current disclosures lack specific, forward-looking, and quantitative action plans that are sufficient to achieve alignment with the global aim of 1.5°C. While the Company set an emissions reduction target covering its operations, this goal covers less than 5% of the Company's total emissions and fails to align with a 1.5°C ambition.⁶ Lockheed has yet to set a target to reduce emissions from its value chain, which constitutes 95% of the Company's overall emissions. This absence of emission reduction targets across all scopes, coupled with the absence of a comprehensive transition plan, leaves investors without crucial information regarding the Company's exposure to climate-related risks in its supply chain and customer use, as well as its strategies for mitigating these risks.

Aerospace and industrial companies are galvanizing action and investment toward decarbonizing. Lockheed risks falling behind as peers Airbus, BAE Systems, Cisco Systems, Deere & Company, Honeywell, and Safran have established targets through the Science Based Targets initiative across all scopes of emissions.⁷ By setting science-aligned emission reduction targets across its full value chain and providing a comprehensive transition plan, Lockheed Martin can improve its competitiveness against peers, prepare for regulation, and position itself to maximize climate-related opportunities.

BE IT RESOLVED: Shareholders request that the Board issue a report, at reasonable expense and excluding confidential information, disclosing how Lockheed Martin intends to reduce its full value chain emissions in alignment with the Paris Agreement's 1.5°C goal.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, that the report include:

- A timeline for setting 1.5°C-aligned near-term emission reduction targets;
- A timeline for setting long-term net zero goals;
- A climate transition plan to achieve emissions reduction goals across all relevant emission scopes; and
- Annual reporting demonstrating progress towards meeting emission reduction goals.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf , p.20

2. https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinRea ch-2023Update.pdf , p.87,88

3. <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/> ; <https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>

4. <https://www.ft.com/content/7a0dd553-fa5b-4a58-81d1-e500f8ce3d2a> ; <https://www.npr.org/2023/10/12/1205068747/climate-change-emissions-companies-disclosure-sec-california>

5. <https://www.sustainability.gov/federalsustainabilityplan/fed-supplier-rule.html>

6. <https://sustainability.lockheedmartin.com/sustainability/beyond-the-smp/carbon-strategy-and-climate-related-risk/> ; <https://www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/sustainability/2023-cdp-climate-change-response.pdf> , p.30-34

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

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Expeditors International of Washington

A similar resolution was submitted to C.H. Robinson Worldwide, Inc. and Comfort Systems USA.

WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 in order to limit global warming to 1.5 degrees Celsius and avoid the most severe impacts of climate change. Transportation is the single largest source of greenhouse gas emissions within the United States and accounts for nearly 25 percent of global carbon dioxide emissions today.¹ Every incremental rise in temperature above 1.5 degrees Celsius increases physical, transition, and systemic risks for the transportation sector.

Expeditors International of Washington, Inc. (“Expeditors” or the “Company”) trails competitors in setting holistic GHG emissions reduction targets and managing climate risks. Expeditors has set short-term Scope 1 & 2 intensity-based emissions reduction targets, yet the targets are not science-based, and Expeditors’ absolute Scope 1 & 2 emissions rose approximately 22% from 2020 to 2022.² Additionally, the Company has not comprehensively inventoried its Scope 3 emissions, set goals to reduce these emissions, nor established programs to increase low-carbon transportation options amongst its carriers. Given Expeditors operates a non-asset model, Scope 3 emissions represent the majority of its total emissions through transportation contracts.

In its 10-K, Expeditors acknowledges it is “uniquely positioned to help [its] customers leverage more fuel-efficient fleets and lower carbon routing options.” As referenced within Expeditors’ sustainability report, the Company’s influence among ocean and airline carriers, representing 28% and 35% of the Company’s revenues respectively,³ positions it to consolidate customer interest in decarbonization efforts and support this transition. The Science-Based Targets Initiative (SBTi), for example, offers an emissions reduction pathway for non-asset-based logistics companies like Expeditors. Further, the SBTi has developed guidance that applies to Expeditors’ transportation vendors, allowing opportunity for the Company to engage and influence on the topic of GHG emissions reduction targets aligned with the latest climate science.

Ramping up the scale, pace, and rigor of its climate-related initiatives may help prepare Expeditors to mitigate transition risks associated with future climate regulations; bolster resilience to the physical impacts of climate change across its value chain; and capitalize on new market opportunities driven by future customer demand for supply chain decarbonization.

RESOLVED: Shareholders request Expeditors International of Washington, Inc. establish near-and long-term science-based greenhouse gas reduction targets aligned with the Paris Agreement’s ambition of limiting global temperature rise to 1.5 °C and disclose plans to achieve them. The targets and plan should cover the Company’s full range of operational and supply chain emissions.

SUPPORTING STATEMENT: Shareholders recommend Board and Management consider:

- Establishing emissions reduction targets for the Company’s full GHG emissions footprint, aligned with the latest climate science and taking into consideration approaches used by advisory groups, such as the Science-Based Targets Initiative; and
- A transition plan detailing how the Company intends to achieve such targets, including strategies for mitigating physical and transition climate risks.

1. [https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions#:~:text=Transportation%20\(28%25%20of%202021%20greenhouse,ships%2C%20trains%2C%20and%20planes](https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions#:~:text=Transportation%20(28%25%20of%202021%20greenhouse,ships%2C%20trains%2C%20and%20planes)

2. <https://www.expeditors.com/media/3575/expeditorssustainabilityreport2022.pdf>

3. <https://otp.tools.investis.com/clients/us/expeditors/SEC/sec-show.aspx?FilingId=16452364&Cik=0000746515&Type=PDF&hasPdf=1>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Public Storage

WHEREAS: According to the Intergovernmental Panel on Climate Change, the window for limiting global warming to 1.5 degrees Celsius (1.5°C) is quickly narrowing. Investor demand for science-aligned greenhouse gas (GHG) emission reductions reflects the reality that climate change poses a systemic risk to companies and investor portfolios.¹ Failure to reach Net Zero emissions by 2050 is projected to have dramatic economic consequences.² Immediate and significant emissions reduction is therefore required of all market sectors.³

Shareholders are increasingly concerned about the growing material climate risk to their companies and to their portfolios. The Climate Action 100+ initiative, a coalition of more than 700 investors with over \$68 trillion in assets, has issued a Net Zero Benchmark outlining metrics that create climate accountability for companies and transparency for shareholders. The Benchmark requires that companies set short, medium, and long-term GHG reduction targets and create quantitative forward-looking action plans to achieve targets.⁴

As the world's leading owner and operator of self-storage facilities, Public Storage faces a variety of material climate-related risks. As stated in the Company's 2022 10-K, in addition to the physical risks posed to company facilities by "increased destructive weather events," the "transition to a low-carbon economy presents certain risks...including stranded assets, increased costs, lower profitability, lower property values, lower household wealth, and macroeconomic risks related to high energy costs and energy shortages."⁵

Although Public Storage discloses a 12% by 2025 GHG reduction goal for its operations, this goal is not 1.5°C-aligned, nor is it inclusive of its full value chain emissions.⁶ Despite a nearly 35% vote on a 2023 shareholder proposal requesting 1.5°C targets, the Company has failed to act. In contrast, 58 North American companies in the real estate sector have committed to establishing science-aligned GHG targets through the Science Based Targets initiative.⁷

By setting 1.5°C, Paris-aligned GHG reduction targets for its entire value chain, disclosing a climate transition plan, and demonstrating progress toward achieving such goals, Public Storage can provide investors with assurance that management is addressing material climate-related risks and capitalizing on the value-creating opportunities presented by a net zero economy.

BE IT RESOLVED: Shareholders request that the Board issue short-and long-term Scope1 through 3 greenhouse gas reduction targets aligned with the Paris Agreement's 1.5°Cgoal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at management discretion, the Company:

- Take into consideration approaches used by advisory groups such as the Science Based Targets initiative;
- Disclose a timeline for setting a Net Zero by 2050 GHG reduction target and 1.5°C-aligned interim targets;
- Discloses an enterprise-wide climate transition plan to achieve 1.5°C-aligned emissions; and
- Discloses annual progress towards meeting its emissions reduction goals.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdfp.88

2. <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>

3. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdfp.102

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

5. https://d18rn0p25nwr6d.cloudfront.net/CIK-0001393311/5673bc31-ec6c-4c71-a2e5-57056b40ee34.html#PSA-20221231_HTM_idcbceb955cc148bc8844018cabeb9b51f_175p.10

6. https://s1.q4cdn.com/588671402/files/doc_downloads/Sustainable-Moving-Supplies/2023/06/Public-Storage-Sustainability-Report-2023-vF-1.pdfp.10

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

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan and GHG Reduction Goals

Ingredion, Inc.

WHEREAS: To limit the most severe impacts of climate change, the Intergovernmental Panel on Climate Change (IPCC) has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 to limit global temperature rise to 1.5°C¹. For the agricultural sector, the IPCC assessed with statistically high confidence that many regions will experience reduced crop yields due to extreme weather change². Inaction will result in increasingly severe physical, transition, and systemic risks for companies and investors.

Ingredion Incorporated (“Ingredion” or “the Company”) is a leading ingredients manufacturer. The company relies heavily on raw materials such as corn, specialty grains, rice, stevia, peas and sugar. In its latest 10-K, Ingredion recognizes that climate change could negatively affect agricultural productivity, increase volatility in commodity prices, and disrupt critical functions along its supply chain.

While Ingredion has set GHG reduction targets that are aligned with a well-below 2-degree scenario, investors seek increased disclosure on how the company can address its climate risks and opportunities to reduce its scope 3 emissions, which comprise more than 75% of the company’s total emissions. Specifically, investors seek a climate transition plan detailing the forward-looking, near-term, and quantitative actions the company will take to achieve its medium-and long-term sustainability goals.

While investors commend Ingredion’s efforts in piloting regenerative agriculture programs and commitment to sustainably source 100% of its Tier 1 Priority Crops by 2025, it remains unclear whether these projects can yield the emissions reduction necessary to achieve stated targets. Moreover, the Company has stated that it has not estimated the capital investments required to achieve net zero goals.

Ingredion must take additional action to comprehensively address its climate impact and mitigate both the physical risks to its operations and the transition risks associated with new regulation and a global shift to a lower-emissions economy. Investors believe adopting 1.5°C-aligned science-based targets for its full carbon footprint and developing a climate transition plan will help the Company mitigate these risks.

RESOLVED: Shareholders request Ingredion issue a climate transition action plan, above and beyond existing disclosure, describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5°C. The plan should be published at reasonable expense, exclude confidential information, and detail progress and any plan updates on an annual basis.

SUPPORTING STATEMENT: In developing and implementing the plan, we recommend, at management’s discretion:

Considering guidance by advisory groups such as the Task Force for Climate-Related Financial Disclosures, CDP, Transition Plan Taskforce, Climate Action 100+, and We Mean Business Coalition; Considering capital expenditures needed to support the Company’s regenerative agriculture and sustainable sourcing efforts in alignment with a 1.5°C future; and Quantification of the Company’s climate strategies to meet emissions targets

1. <https://www.ipcc.ch/assessment-report/ar6/>
2. <https://www.ipcc.ch/srccl/>

Climate Transition Plan and GHG Reduction Goals

Home Depot, Inc.

WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 in order to limit global warming to 1.5°C and avoid increasingly severe physical, transition, and systemic risks for companies and investors.

Investors commend The Home Depot, Inc. ("Home Depot" or "the Company") for submitting science- based emissions reduction targets to the Science Based Targets initiative. In doing so, Home Depot recognizes the business imperative of reducing GHG emissions and preparing for a low-carbon economy. In its latest (2022) 10-K, Home Depot acknowledges that "the long-term impacts of climate change ... could affect the availability and cost of or demand for certain consumer products, commodities, and energy, which in turn may impact our ability to procure certain goods or services for the operation of our business at the quantities and levels we consider optimal."

Given these clearly stated business risks, investors seek a Climate Transition Action Plan ("transition plan") that outlines how Home Depot plans to meet its climate targets. Transition plans differ from the Company's existing, largely backwards-looking sustainability disclosures in that they are forward-looking, quantitative, near-term sets of actions a company will take to align its holistic business strategies on emissions reductions, governance, and external policy engagement with achieving 1.5°C in a just and equitable manner. For example, while Home Depot discloses its climate scenario analysis and 2030 emissions targets, it does not disclose the near-term actions or capital expenditures it will undertake to achieve these targets – or whether, in sum, these strategies are sufficient to achieve the Company's stated goals and mitigate climate-related risks.

Over 4,100 organizations disclosed to CDP that they have 1.5°C-aligned transition plans and 6,520 plan to develop one.¹ To increase the credibility of its efforts, support the achievement of its targets, and demonstrate leadership, we believe Home Depot should develop a comprehensive transition plan.²

RESOLVED: Shareholders request that Home Depot issue a climate transition action plan, above and beyond existing disclosure, describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5 degrees Celsius. The plan should cover full operational and supply chain emissions, be published at reasonable expense, exclude confidential information, and detail progress and any plan updates on an annual basis.

SUPPORTING STATEMENT: In developing and implementing the transition plan, we recommend, at management's discretion, that Home Depot:

- Provide forward-looking, near-term, and quantitative strategies, metrics, and milestones for achieving the Company's emissions reduction targets across decarbonization, governance, policy advocacy, and just transition components;
- Consider guidance by advisory groups such as the Task Force for Climate-Related Financial Disclosures, CDP, Transition Plan Taskforce, Climate Action 100+, & We Mean Business Coalition; and
- Consider capital expenditures towards meeting Home Depot's GHG, renewable energy, energy efficiency, supply chain engagement goals.

1. https://cdn.cdp.net/cdp-production/cms/reports/documents/000/006/785/original/Climate_transition_plan_report_2022_%2810%29.pdf?1676456406

2. <https://www.ceres.org/sites/default/files/CTAP%20Foundations%20Checklist.pdf>

Climate Transition Plan and Long-Term Targets

Archer-Daniels-Midland Company

WHEREAS: The Intergovernmental Panel on Climate Change (IPCC) has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 to limit global temperature rise to 1.5°C to prevent the worst impacts of climate change¹. The Food and Agriculture Organization maintains that the global agri-food system is responsible for approximately 31% of anthropogenic GHG emissions and is on course to become the largest contributor to GHG emissions². The agricultural sector is particularly vulnerable to climate change, with the IPCC assessing with statistically high confidence that many regions will experience reduced crop yields due to extreme weather changes³.

As a leading agribusiness, the Archer-Daniels-Midland Company (“ADM” or “the Company”) has a significant carbon footprint due to its reliance on purchased agricultural commodities, which comprise 83% of its scope 3 emissions⁴. In its 2022 10-K, the Company acknowledges several physical and transition climate risks to its business and recognizes its role in reducing emissions from business activities and the entire agricultural supply chain.

While investors commend the Company for committing to reduce emissions across scopes by 25% by 2035, this target is not aligned with the goals of the Paris Agreement. Furthermore, since setting the target, ADM has failed to make any progress in reducing scope 3 emissions and has yet to set a net zero by 2050 commitment. Delays in emissions reductions compound detrimental impacts of climate change, threaten economic and community stability, and heighten volatility in investment portfolios.

Therefore, investors seek additional disclosure about the strategies the Company will employ to meet its stated targets and position their business for success in the transition to a low carbon economy. Investors believe climate transition plans - detailing the forward-looking, near-term, and quantitative actions the company will take to achieve its medium- and long-term sustainability goals – help the Company mitigate these risks.

RESOLVED: Shareholders request ADM, in addition to its existing targets and related disclosures, set and disclose long-term GHG reduction targets aligned with achieving science-based 1.5°C or net-zero emissions by 2050 at the latest, alongside the strategies to achieve these targets. Disclosure should cover the Company’s full range of operational and value chain emissions. Shareholders should receive regular updates on implementation against this strategic goal. The report may be stand-alone or incorporated into existing reporting, be prepared at a reasonable cost, and omit proprietary information.

SUPPORTING STATEMENT: In developing and implementing the plan, we recommend, at management’s discretion:

- Considering guidance by advisory groups such as the Task Force for Climate-Related Financial Disclosures, CDP, Transition Plan Taskforce, Climate Action 100+, and We Mean Business Coalition; and
- Quantifying climate strategies against the Company’s emissions reductions targets

1. <https://www.ipcc.ch/assessment-report/ar6/>
2. <https://news.un.org/en/story/2021/11/1105172#:~:text=Of%20the%2016.5%20billion%20tonnes,according%20to%20the%20new%20analysis.>
3. <https://www.ipcc.ch/srccl/>
4. https://www.adm.com/globalassets/sustainability/sustainability-reports/2022-reports/adm-2022-corporate-sustainability-report_final.pdf/

Climate Transition Plan and Long-Term Targets

Berry Corporation

WHEREAS: In its 2023 synthesis report, the Intergovernmental Panel on Climate Change (IPCC) reiterates the urgent need for near-term action to limit global warming below 1.5 degrees Celsius. The report echoes the IPCC's 2018 findings that achieving a 45 percent reduction in net greenhouse gas (GHG) emissions by 2030 and reaching net zero by 2050 is essential to avert the worst impacts of climate change.

The urgency of this message is underscored by the IPCC's 2021 data, which projects that without decisive action, we can expect increases in global temperatures, sea levels, extreme weather events, forest fires, and agricultural losses. Such environmental shifts could exacerbate risks for investors and companies, including disruptions in supply chains, reduced resource availability, lost productivity, and increased commodity price volatility. These factors could necessitate new regulations and transition costs, further impacting businesses.

Oil and gas companies face heightened climate-related vulnerabilities. Companies like Antero, California Resources or Hess have committed to net zero and set short- or medium-term emissions reduction targets. Companies responsible for nearly 40 percent of global oil and gas production, including APA, Civitas, Coterra and Devon, have joined the Oil and Gas Methane Partnership 2.0 and set methane emissions reduction targets. Increasingly, companies that do not adequately manage greenhouse gas emissions risk their reputation and license to operate.

Despite committing to setting a scopes 1 and 2 reduction target in 2022, Berry has not set any target nor committed to aligning with a 1.5 degree Celsius scenario, and fails to address scope 3 emissions from its supply chain and product usage. More ambitious action is imperative to comprehensively manage the company's climate-related risks.

RESOLVED: Shareholders request that Berry produce a report within a year, at reasonable expense and excluding confidential information, that discloses near- and long-term operational (scope 1 and 2) GHG reduction targets aligned with the Paris Agreement's goal of maintaining global temperature rise at 1.5 degrees Celsius. The report should be released yearly to provide updates on progress toward these targets, as well as any revisions to the goals.

SUPPORTING STATEMENT:

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

- Pursuing alignment with internationally recognized 1.5 degree aligned pathways such as those outlined by the IPCC or International Energy Agency;
- Considering resources from advisory groups such as such as Task Force for Climate-Related Financial Disclosures, Transition Plan Taskforce, Transition Pathway Initiative, Climate Action 100+, and the IIGCC Net Zero Standard for Oil and Gas;
- Considering setting additional targets for methane emissions, flaring, renewable energy, energy efficiency, alternative fuels production and other measures deemed appropriate by management; and
- Committing to reduce local community health impacts from cumulative operational emissions.”

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Climate Transition Plan Inclusive of Downstream Emissions

DTE Energy

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required to stave off the worst consequences of climate change.¹ Energy utilities play a critical role in achieving this path to net zero; nearly 13% of U.S. greenhouse gas emissions come from the direct use of natural gas for heating, cooling, and cooking.²

DTE, a leading energy company, sells natural gas to 1.3 million residential, commercial, and industrial customers. Emissions from the downstream use of natural gas account for 22% of DTE's total carbon footprint.³ Despite this materiality, DTE does not have a viable plan to mitigate these emissions.

Without an economically feasible climate transition plan, DTE faces significant regulatory and market risk. Nationwide, energy efficiency standards and gas bans are transforming the energy landscape. Over 100 municipalities in 12 states have implemented policies either encouraging or requiring building electrification.⁴ Moreover, technologies cited in DTE's current decarbonization plan, such as renewable natural gas and hydrogen, are not yet commercially feasible at the scale necessary for DTE to align with the global 1.5°C, net zero goal.⁵

By contrast, electrification provides a cost-competitive pathway to net zero for DTE. Bolstered by regulations such as the Inflation Reduction Act, heat pump sales have outpaced gas furnaces for the first time, and, in 2022, more homes used electricity for heating than natural gas.⁶ In addition to viability, electrification provides a compelling growth opportunity for DTE's electric utility.

Peer utilities are heeding market signals and capitalizing on the decarbonization potential in electrification. For example, Southern California Edison has developed a building electrification strategy allocating \$677 million for the installation of 250,000 electric heat pumps;⁷ in Illinois, ComEd is investing \$40 million to transition home fossil appliances to electric.⁸

By creating a viable, economically feasible 1.5°C climate transition plan for its natural gas utility, DTE can solidify its climate leadership, mitigate its climate-related risks, and capitalize on the value-creating opportunity of the net zero economy.

BE IT RESOLVED: Shareholders request DTE produce a climate transition plan, inclusive of downstream emissions from its natural gas utility, that aligns the company with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at management discretion, the transition plan include:

- A summary of decarbonization actions that are economically feasible in the near-term;
- An assessment of revenue generating opportunities for expanding DTE's electrification services; and
- A timeline for setting 1.5°C-aligned interim and long-term targets inclusive of DTE's full value chain emissions.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf p.20

2. <https://www.rff.org/publications/explainers/federal-climate-policy-106-the-buildings-sector/>

3. <https://dteempowermi.wppenginepowered.com/wp-content/uploads/2022SustainabilityReport.pdf> p.57

4. <https://buildingdecarb.org/zeb-ordinances>

5. <https://www.ceres.org/sites/default/files/reports/2023-09/Decarbonizing%20U.S.%20Gas%20Distribution%20An%20Investor%20Guide.pdf> p.4

6. https://buildingdecarb.org/wp-content/uploads/BDC-Innovation-Acceleration-report_2.15.pdf p. 10

7. <https://download.edison.com/406/files/20237/eix-2022-sustainability-report.pdf>

Signature=6XiYHWCrQNF%2B6mwKQaMKTvhj4%3D&Expires=1700767041&AWSAccessKeyId=AKIAJX7XE00ELCYGIVDQ&versionId=ExvCtypZUkNJb6hBZAIx0FV9zbbUdnrf&response-content-disposition=attachment;21

8. <https://poweringlives.comed.com/more-than-50-homes-go-all-electric-with-the-help-of-comed/>

Align Emissions Reduction Targets with Paris Agreement

Royal Dutch Shell plc

Shareholders support the Company, by an advisory vote, to align its medium-term emissions reduction targets covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

The strategy for achieving these targets is entirely up to the board.

You have our support.

SUPPORTING STATEMENT

Introduction

The world has signed the Paris Agreement, pledging to limit global warming to well below 2°C and to pursue efforts to limit warming to 1.5°C. Failure to do so will have dramatic effects for society at large, including the global economy. Greenhouse gas (GHG) emissions are the leading driver of global warming. The Company is a leading contributor to global GHG emissions.

Paris alignment

Scientific consensus indicates that global emissions must almost halve this decade to keep 1.5°C within reach.

The Intergovernmental Panel on Climate Change (IPCC) stated that “unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach.”¹

Since the energy sector accounts for the vast majority of global emissions, it must achieve large-scale emissions reductions this decade to reach the goal of the Paris Climate Agreement.

The International Energy Agency (IEA) underscores the critical role of energy-related emissions in its Net Zero Roadmap, A Global Pathway to Keep the 1.5°C Goal in Reach: “Getting to net zero emissions by 2050 requires rapid and deep cuts in emissions of both carbon dioxide (CO₂) and other greenhouse gases (GHG), particularly methane, by 2030.”²

As a result, for a major player in the energy sector, Paris alignment implies targets that significantly contribute to reducing global emissions by 2030.

The Company's medium-term targets are not Paris aligned

Shell's medium-term targets covering Scope 3 are a decrease of the Net Carbon Intensity (NCI) of 20% by 2030 and 45% by 2035 (at the time of filing this resolution), compared to 2016 levels.³

The Climate Action 100+ benchmark states that the Company's medium-term GHG emissions reduction target(s) are not aligned with the goal of limiting global warming to 1.5°C.⁴

No third-party source indicates that Shell's medium-term targets are aligned with a 1.5°C warming scenario.

Moreover, the Company does not sufficiently demonstrate how it will reach these targets, which means it is unclear how the underlying approach contributes to significant reductions in global emissions this decade.

Risks of misalignment

A lack of Paris-aligned targets poses significant risks to the Company. These risks include:

Regulation: As countries work to achieve their commitments under the Paris Agreement, more stringent regulations should be implemented. This risks leaving planned oil and gas projects stranded, which would result in significant losses to the Company. Uncertainty about the timing of the effects of climate change and shifts in public sentiment may bring about a disorderly transition, resulting in abrupt implementation of regulation, negatively affecting the profitability of fossil fuels and further increasing the risks of stranded assets.

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Loss of market opportunity: As the global energy market transitions toward a net-zero energy system, there will be increased demand for low-carbon energy products. The Company risks losing the opportunities that this demand presents.

Litigation: Instances of climate litigation against oil majors are increasingly sharp. As the legal framework around this becomes more established and liability more certain, the Company is exposed to increasing financial liability.

Carbon lock-in: By investing recent record profits in continued fossil fuel extraction, the Company risks locking itself into an unsustainable business model.

We advise the Company to adopt Paris-aligned targets

By adopting Paris-aligned targets, the Company can spur innovation both internally and in the market as a whole. Furthermore, it sends a signal to policy makers that will help to advance the necessary regulation. Paris-aligned targets will help to protect the Company's long-term value.

An increasing number of investors are realizing this, which is why support for this climate resolution has increased from 2.7% in 2016 to 20% in 2023.

A vote for this proposal is warranted by investors who seek to ensure a long-term future for the Company and to protect the value of their entire investment portfolios.

You have our support.

1. IPCC, August 2021: Climate change widespread, rapid, and intensifying
2. IEA, September 2023: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach – 2023 Update (page 108)
3. Shell's strategy: Net Carbon Intensity (NCI) is the Company's proprietary intensity metric which combines the emissions of its operations and use of its energy products (Scopes 1, 2, and 3) into a single intensity figure in terms of the grams of carbon dioxide equivalent (gCO₂eq) per unit of energy (MJ) sold.
4. CA100+, 2023: Net Zero Company Benchmark – Shell plc

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Accelerate Plans for Medium-Term Scope 3 GHG Reduction Target

Exxon Mobil Corporation

A similar resolution was submitted to Chevron Corp.

RESOLVED: Shareholders support the Company, by an advisory vote, to go beyond current plans, further accelerating the pace of emission reductions in the medium-term for its greenhouse gas (GHG) emissions across Scope 1, 2, and 3, and to summarize new plans, targets, and timetables.

WHEREAS: In the absence of effective climate change mitigation, up to 10 percent of global economic value could be lost by 2050.¹ The Intergovernmental Panel on Climate Change (IPCC) has advised that GHG emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5 degrees Celsius. Every incremental increase in temperature above 1.5 degrees will increase physical, transition, and systemic risks for companies and investors alike.²

Current Goals: Exxon has acknowledged the importance of reduction goals for Scope 1 and 2 emissions by setting intensity targets across its value chain. The Company has also set GHG intensity targets for its upstream sector and upstream operations in the Permian.

Yet, Exxon's current 2030 targets are significantly below the IPCC's recommendation of 50 percent absolute emission reductions. The Company's current metrics are all on an intensity basis, which allow the Company to increase its absolute emissions. Furthermore, Exxon lacks any Scope 3 target, which account for 90 percent of its carbon footprint.³

Capital Expenditures: The International Energy Agency reports peak global demand for coal, oil, and gas could be reached before 2030.⁴ Despite this trajectory, Exxon anticipates total annual capital expenditures and exploration expenses of 23 to 25 billion in 2024, increasing up to 27 billion per year from 2025 to 2027. While Exxon plans 20 billion in total low carbon spending through 2027, this amounts to only about 15 percent of its overall total planned capital expenditures. This spending will increase Exxon's oil and gas output by 10 percent.⁵ Carbon Tracker projects that even under a moderate transition scenario, continued oil and gas investments could lead to commodity oversupply, resulting in lower pricing, negatively impacting existing and new project revenue.⁶

Cost of Capital: Exxon's cost of capital may substantially increase if it fails to control transition risks by significantly reducing absolute emissions. In October, federal bank regulatory agencies issued Principles for Climate-Related Financial Risk Management for Large Financial Institutions, warning such institutions to thoroughly address risks associated with climate change within their investments.⁷

Peer Targets: Oil and gas peers BP, TotalEnergies, Repsol, and Eni recognize climate transition risks and have set more ambitious, medium-term emission reduction targets. These companies aim to reduce absolute Scope 1, 2, and 3 targets by at least 30 percent by 2030. Other peers Chevron, Equinor, Shell, and Suncor have set goals to decrease Scope 3 emissions.

1. https://www.swissre.com/dam/jcr:5d558fa2-9c15-419d-8dce-73c080fca3ba/SRI_%20Expertise_Publication_EN_LITE_The%20economics_of_climate_change.pdf
2. <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/>
3. <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report>
4. <https://www.nytimes.com/2023/10/24/climate/international-energy-agency-peak-demand.html>
5. <https://investor.exxonmobil.com/news-events/press-releases/detail/1154/exxonmobil-corporate-plan-more-than-doubles-earnings>
6. <https://carbontracker.org/reports/navigating-peak-demand/>
7. <https://www.federalreserve.gov/news-events/pressreleases/bcreg20231024b.htm>

Paris Alignment and GHG Reduction Goals

Southern Company

RESOLVED: Shareholders request The Southern Company (“Southern”) issue a report within a year, and annually until targets are met, at reasonable expense and excluding confidential information, that discloses operational (Scopes 1 and 2) GHG targets in the short, medium and long-term aligned with the Paris Agreement’s goal of maintaining global temperature rise to 1.5 degrees Celsius, consistent with sector-modelled pathways, and plans to achieve them.

SUPPORTING STATEMENT: In assessing targets, we recommend, at board discretion:

- Pursuing alignment with sector-modelled 1.5°C pathways such as those outlined by the Intergovernmental Panel on Climate Change (IPCC) or International Energy Agency (IEA);
- Considering approaches used by the Science Based Targets initiative (SBTi), Transition Pathway Initiative, or other science-based methodologies;
- Evaluating low-cost, low-carbon energy generation to improve earnings while maintaining energy affordability and reliability; and
- Developing a decarbonization strategy that identifies and quantifies the actions Southern intends to take to achieve its GHG reduction goals over the targeted timeframe.

Southern Company is progressing on decarbonization, including making the Vogtle 3 nuclear power plant operational in 2023, and committed to reaching net zero on Scope 1 emissions by 2050. Southern has announced Vogtle 4 is nearing commercial operation, coal plant retirements, clean energy investments, and published its Trade Association and Climate Engagement report. However, with a nonspecific claim of Paris alignment, Southern lags peers on 1.5°C alignment.¹ For example, peers WEC plans to retire coal generation by 2035,² Xcel by 2030,³ and CMS Energy by 2025.⁴ Southern currently plans six coal plants in operation in mid-2030s.⁵

The IPCC highlights a median decline in electricity’s global carbon intensity of 75% by 2030 from a 2019 base in low/no-overshoot 1.5°C scenarios.⁶ SBTi also recommends deep reductions in electricity emissions by 2030.⁷ Southern has nearly achieved its target to reduce Scope 1 emissions 50% by 2030 from a 2007 base, falling short of 1.5C alignment and excluding Scope 2 emissions.⁸

Given progress toward the current goal despite underwhelming efforts from Georgia Power⁹ and Mississippi Power,¹⁰ proponents believe more ambitious medium and long-term operational targets are feasible for Southern and may offer investor-aligned opportunities. Renewables are increasingly cost-efficient,¹¹ avoid risks associated with coal ash,¹² and are highly incentivized by the Infrastructure Investment and Jobs Act¹³ and the Inflation Reduction Act.¹⁴ By accelerating its transition to renewables, Southern may improve shareholder returns while maintaining customers’ rate levels. By decarbonizing owned electricity generation, Southern may deploy more capital into renewables, transmission/distribution infrastructure (including storage) and efficiency programs, thereby substituting operating expenses like fuel with capitalized investments that grow earnings.

Peers (WEC, Xcel, and AEP) are pursuing these options ambitiously.

1. <https://www.southerncompany.com/sustainability/data-downloads-reports.html>
See page 14 of <https://www.southerncompany.com/content/dam/southerncompany/sustainability/pdfs/sustainability-summary.pdf>
2. <https://www.wecenergygroup.com/home/generation-reshaping-plan.htm>
3. <https://www.businesswire.com/news/home/20221031005623/en/Xcel-Energy-proposes-to-exit-coal-by-2030>
4. <https://www.consumersenergy.com/-/media/CE/Documents/company/IRP-2021.ashx>
5. <https://www.paperturn-view.com/?pid=Mjg283820&v=2>
6. https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf
7. <https://sciencebasedtargets.org/news/us-power-sector-trails-behind-europe>
8. <https://www.transitionpathwayinitiative.org/companies/southern-company>
9. <https://www.georgiapower.com/content/dam/georgia-power/pdfs/company-pdfs/2023-irp-update-main-document.pdf>
10. <https://www.synapse-energy.com/evaluation-mississippi-powers-2021-integrated-resource-plan>
11. <https://www.inspirecleanenergy.com/blog/clean-energy-101/cost-of-renewable-energy>, <https://solarpower.guide/solar-energy-insights/energy-ranked-by-cost>
12. <https://www.epa.gov/coalash/coal-ash-basics>
13. <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>
14. <https://www.congress.gov/bill/117th-congress/house-bill/5376>

Report on Short and Long-Term Science-Based GHG Reduction Targets

Metro, Inc.

RESOLVED: Shareholders request that Metro Inc. (Metro) report to shareholders prior to the 2025 annual general meeting, at reasonable cost and excluding proprietary information on its management of climate-related risks. The report should include at a minimum:

1. Disclosure of all material Greenhouse Gas emissions;
2. Disclosure of the company's adoption of robust interim and long-term science-based Greenhouse Gas emission reduction targets.
3. Plans to adopt a comprehensive climate action plan, informed by generally accepted standards such as the Science-Based Targets Initiative.

SUPPORTING STATEMENT: In 2018, the Intergovernmental Panel on Climate Change advised that greenhouse gas emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5°C to prevent the worst consequences of climate change and meet the goals of the Paris Agreement. Companies that fail to align with 1.5°C actions pose material risks to themselves and the financial system as a whole. According to the Canadian Climate Institute, current emission reporting in the retail sector does not adequately depict the extent of these emissions in Canada.

Metro's 2022 Corporate Responsibility report states that it plans to improve its data collection, particularly on the expansion of scope 3 reporting, work towards the implementation of the Taskforce on Climate-related Financial Disclosures (TCFD), and establish a Climate Change Committee and includes a current goal to reduce only Scope 1 and 2 emissions by 37.5% on a timeline of 2035 compared to a 2020 baseline. Metro has generally stated in its 2022 CDP response that "it aims to better understand its scope 3 emissions" with no timeframe disclosed. Metro is exposed to significant operational, financial, and regulatory risks associated with climate change and a lack of understanding of its full supply chain.

Although Metro has expressed plans to continue its evaluation of the feasibility and costs of achieving SBTi Net-Zero Standard, it lags behind peers. Loblaw has announced plans to reduce enterprise operation footprint by 59% by 2030 from a 2020 baseline, achieve net zero by 2040 for its enterprise operating footprint, and achieve net zero by 2050 for scope 3 emissions. Loblaw has also taken a step to submit its climate action plan to the SBTi for validation. Empire has made similar commitments.

A vote on Proposal #1, Shareholder proposal on 1.5 degree-aligned greenhouse gas targets at Metro's 2023 AGM received 28.54% of votes in favour. Metro has declined to meet and discuss consideration or progress on the 2023 proposal. In the intervening months, the company has made limited visible progress toward evaluating or updating its interim and long-term targets.

Metro should take the steps its peers have already taken in setting 1.5°C aligned GHG reduction targets. This would assure investors that it is appropriately managing the urgent and material risk of climate change and will remain competitive.

We urge shareholders to vote FOR this Proposal.

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Report on Plan to Reduce Full Value Chain Emissions

Lennar Corporation

WHEREAS: According to the Intergovernmental Panel on Climate Change, the window for limiting global warming to 1.5 degrees Celsius (1.5°C) is quickly narrowing.¹ Investor demand for science-aligned greenhouse gas emission reductions reflects the reality that climate change poses a systemic risk to companies and to investor portfolios. Failure to reach Net Zero emissions by 2050 is projected to have dramatic economic consequences.² Immediate and significant emissions reduction is therefore required of all market sectors.³

The building sector is responsible for 40% of total energy use in the U.S. and 35% of carbon emissions.⁴ U.S. residential construction emits over 50 million tons of embodied carbon emissions annually.⁵ Fortunately, there is a clear path to decarbonization, with studies demonstrating that 30 to 50% of these emissions can be mitigated with commercially available, affordable, and code-compliant building materials.⁶

As stated in Lennar's 2022 10-K, "changes in global or regional environmental conditions and governmental actions in response to such changes" pose significant risk to our company.⁷ By reducing the emissions from its full value chain, Lennar can mitigate its climate-related physical and transition risks while also preparing to comply with heightened climate regulations and shifting consumer demands. However, Lennar lacks both emissions disclosures and emissions reduction targets.

Lennar also lags its peers in creating science-based climate transition plans. Fifty-eight companies operating in the U.S. real estate and construction and engineering sectors, including Lennar's direct peer KB Home, have committed to or have already set emission reduction targets through the globally recognized target verification program Science Based Target initiative.⁸

By setting science-based reduction targets that cover its full value chain and disclosing a comprehensive and forward-looking decarbonization plan, Lennar can provide investors with the assurance that it is both addressing its climate-related risks and capitalizing on the value-creating market opportunity of a net zero economy.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how Lennar intends to reduce its full value chain greenhouse gas emissions in alignment with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Company discretion, that the report include:

- Disclosure of all relevant Scope 1, 2, and 3 emissions;
- A timeline for setting a 1.5°C-aligned Net Zero by 2050 target for the Company's Scope 1, 2, and 3 greenhouse gas emissions, as well as 1.5°C-aligned interim emissions reduction targets;
- An enterprise-wide climate transition plan including a quantification of the decarbonization initiatives required to meet its emissions reduction targets; and Annual progress towards meeting its emissions reduction goals.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdfp.88
2. <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>
3. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdfp.102
4. <https://www.energy.gov/articles/doe-announces-46-million-boost-energy-efficiency-and-slash-emissions-residential-and>
5. <https://rmi.org/insight/hidden-climate-impact-of-residential-construction>
6. <https://rmi.org/insight/hidden-climate-impact-of-residential-construction>
7. https://otp.tools.investis.com/clients/us/lennar_corporation2/SEC/sec-show.aspx?FilingId=16339466&Cik=0000920760&Type=PDF&hasPdf=1, p.19
8. <https://sciencebasedtargets.org/companies-taking-action>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Report on Plan to Reduce Full Value Chain Emissions

RTX Corporation

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹ Decarbonizing the aviation industry is a critical component of global decarbonization, according to the International Energy Agency.² Investor demand for science-aligned emission reductions and transition planning reflects the reality that climate-related risk exposure is growing.³

RTX Corporation, a major U.S. defense contractor and industrial corporation, is subject to substantial emerging regulations in both the U.S. and abroad regarding its emission-intensive operations and products.⁴ For example, the proposed Federal Supplier Climate Risks and Resilience Rule would require large federal contractors to disclose Scope 1, 2, and 3 emissions and set science-based emissions reduction targets.⁵ By reducing emissions from its full value chain in alignment with global goals, RTX can meet new regulatory requirements, increase competitiveness in low-carbon technology development, address new capital deployment needs, and take advantage of low-carbon financial opportunities.

RTX's current disclosures lack specific, forward-looking, and quantitative action plans that are sufficient to achieve alignment with the global aim of 1.5°C. While RTX has set a science-aligned emissions reduction target for its operations, this goal covers less than 10% of the Company's total emissions.⁶ RTX has yet to set a target to reduce emissions from its value chain, which constitutes 90% of the Company's overall emissions. This failure to address emissions across its full value chain, coupled with the absence of a comprehensive transition plan, leaves the Company's exposed to growing climate-related risks.

Aerospace and industrial companies are galvanizing action and investment toward decarbonization. RTX risks falling behind as peers Airbus, BAE Systems, Cisco Systems, Deere & Company, Honeywell, and Safran have established emission reduction targets through the Science Based Targets initiative that cover all scopes of emissions.⁷

By setting science-aligned emission reduction targets across its full value chain and providing a comprehensive transition plan, RTX Corporation can improve its competitiveness against peers, prepare for regulation, and position itself to maximize climate-related opportunities.

BE IT RESOLVED: Shareholders request that the Board issue a report, at reasonable expense and excluding confidential information, disclosing how RTX intends to reduce its full value chain emissions in alignment with the Paris Agreement's 1.5°C goal.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, that reporting include:

- A timeline for setting 1.5°C-aligned, near-term emission reduction targets;
- A timeline for setting long-term net zero goals;
- A climate transition plan to achieve emissions reduction goals across all relevant emission scopes; and
- Annual reporting demonstrating progress towards meeting emission reduction goals.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf, p.20
2. https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf, p.88
3. <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>; <https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>
4. <https://www.ft.com/content/7a0dd553-fa5b-4a58-81d1-e500f8ce3d2a>; <https://www.npr.org/2023/10/12/1205068747/climate-change-emissions-companies-disclosure-sec-california>
5. <https://www.sustainability.gov/federalsustainabilityplan/fed-supplier-rule.html>
6. <https://prd-sc102-cdn.rtx.com/-/media/rtx/social-impact/our-esg-vision/esg-2023/resources/cdp-climate-2023-final-webposting.pdfrev=94b0d254f18142049dc6d93ecd0d4d56&hash=1372C66B5982A30BE5811F912A314A9D>, p.33-37
7. <https://sciencebasedtargets.org/companies-taking-action>

Material Value Chain GHG Emissions Disclosure

Ross Stores, Inc.

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹ Investor demand for transparent emissions disclosures reflects the reality that climate-related risk exposure is growing alongside proposed and implemented regulations.²

Fashion contributes 10% of the world's annual carbon emissions according to 2019 data published by the United Nations Environment Programme and the Ellen MacArthur Foundation.³ For many clothing companies, the most significant source of greenhouse gas (GHG) emissions, and thus climate risk, is contained within their value chain. In fact, value chain emissions frequently constitute as much as 90% of retailers' overall climate footprint,⁴ making the quantification and mitigation of value chain emissions an essential step in reducing climate risk and meeting shareholder expectations for climate action.⁵

Retail clothing enterprises like Ross are subject to increasing climate-related risks due to climate-related production and supply chain costs and the potential for shortages of raw materials like water and cotton.⁶ Ross also faces risk as consumers become increasingly climate conscious; over 70% of consumers take the environment into account when shopping,⁷ and consumers expect Brands to meaningfully address climate change.⁸ Ross also faces growing regulatory risk due to its emissions-intensive value chain.

Although Ross Store's has a "net zero-ambition" and discloses its operational Scope 1 and Scope 2 GHG emissions, the Company does not disclose all material Scope 3 value chain emissions categories.⁹ This critical reporting gap leaves both Ross and investors without essential information regarding Ross' climate-related supply chain, regulatory, and reputational risk.

Other retailers are leading the way by implementing transparent and complete GHG emissions disclosures. Peers such as Target and Walmart disclose all material value chain emissions categories and have even set science-based emissions reductions targets for their value-chain emissions.¹⁰

By disclosing all material value chain emissions, Ross Stores can improve its competitiveness against peers, prepare for climate regulation, reduce unforeseen risks from its supply chain, and position itself to maximize benefits from climate-related opportunities.

BE IT RESOLVED: Shareholders request that Ross Stores measure and publicly disclose all material value chain GHG emissions.

SUPPORTING STATEMENT: Proponents recommend, at the board's discretion, that the Company report all relevant value chain emissions through a recognized framework, such as CDP, and include material value chain emissions disclosures in Ross Stores' annual Corporate Social Responsibility Report.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf, p.20
2. <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/> ;
<https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>
3. <https://www.worldbank.org/en/news/feature/2019/09/23/costo-moda-medio-ambiente>
4. <https://nrf.com/blog/retailers-set-science-based-targets-address-climate-change>
5. <https://sciencebasedtargets.org/blog/scope-3-stepping-up-science-based-action>
6. <https://www.retaildive.com/news/right-now-retailers-are-writing-their-own-rules-on-climate-action-does-th/598654/>
7. <https://www.retaildive.com/news/right-now-retailers-are-writing-their-own-rules-on-climate-action-does-th/598654/>
8. <https://deloitte.wsj.com/cmo/consumers-expect-brands-to-address-climate-change-01618945334>
9. <https://corp.rossstores.com/wp-content/uploads/2023/10/2022-Ross-Corporate-Social-Responsibility-Report.pdf> ,pg. 30
10. <https://sciencebasedtargets.org/companies-taking-action>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Material Value Chain GHG Emissions Disclosure

Skechers U.S.A.

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹ In response to the climate crisis, investors are seeking transparent climate-related risk disclosures from companies, including greenhouse gas (GHG) emissions disclosures, to inform their investment decision-making.

Skechers USA, Inc. is one of the largest footwear brands in the world.² According to the United Nations Environment Program, the fashion industry accounts for roughly ten percent of global carbon dioxide emissions.³ As much as 96% of the total emissions of fashion brands come from their value chain,⁴ and, as McKinsey notes, supply chain decarbonization is becoming a reputational imperative for businesses.⁵

Supply chain disruptions are one of the largest climate-related risks facing retailers, and the National Retail Federation warns that companies who do not address supply chain climate risk “potentially face significant losses.”⁶ Despite identifying climate risks, including impacts from “natural disasters or other catastrophic events” on its supply chain, as a material risk to the Company’s business,⁷ Skechers does not disclose value chain, or Scope 3, GHG emissions, and has no emissions reductions targets.⁸

Skechers significantly lags nearly all its major competitors in addressing climate risk. Deckers Brands, Puma, Adidas, Nike, Under Armour, and VF Corporation have all set reduction targets for their value chain emissions and validated these targets through the Science Based Targets initiative.⁹ While Skechers states that it has plans to “begin undertaking efforts” to measure value chain emissions “in the future,”¹⁰ it has released no timeline for its efforts to measure and disclose value chain emissions, leaving investors without critical information regarding the Company’s efforts to mitigate climate risk.

By publicly releasing a timeline for measuring and disclosing its value chain emissions, Skechers can align with peers and assure investors that it is addressing the growing regulatory, competitive, and physical supply chain risks associated with climate change.

BE IT RESOLVED: Shareholders request Skechers publicly disclose a timeline for measuring and disclosing its value chain emissions.

SUPPORTING STATEMENT: Proponents suggest, at management’s discretion, the Company:

- Provide a rationale and threshold criteria for determining if any emissions categories are deemed to be not relevant; and
- Provide annual public updates on the Company’s efforts to quantify its value-chain emissions, including information on efforts to engage with its suppliers.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf, p.20
2. <https://investors.skechers.com/press-releases/detail/603/skechers-announces-third-quarter-2023-financial-results-and>
3. <https://www.bloomberg.com/graphics/2022-fashion-industry-environmental-impact/?sref=TtrRgti9>
4. <https://www.reuters.com/sustainability/climate-energy/despite-climate-pledges-fashion-brands-way-off-track-cutting-carbon-catwalk-2023-07-31/>
5. <https://www.mckinsey.com/capabilities/operations/our-insights/making-supply-chain-decarbonization-happen>
6. <https://nrf.com/topics/sustainability/esg-tool-kit/climate-and-climate-related-risk-retail-industry>
7. https://www.sec.gov/Archives/edgar/data/1065837/000156459023002740/skx-10k_20221231.htm#ITEM_1A_RISK_FACTORS, p.10
8. <https://about.skechers.com/wp-content/uploads/2023/04/Skechers-Impact-Report-2022.pdf>, p.13
9. <https://sciencebasedtargets.org/companies-taking-action>
10. <https://about.skechers.com/wp-content/uploads/2023/04/Skechers-Impact-Report-2022.pdf>, p. 15

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Disclose Material Scope 3 GHG Emissions

Amazon.com, Inc

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹ In response to this climate crisis, investors are seeking transparent climate-related risk disclosures from companies, including greenhouse gas (GHG) emissions disclosures, to inform their investment decision-making.²

For most retailers, Scope 3 product-related value chain activities are the largest source of emissions.³ Product-related value chain emissions include “all the emissions generated to make the products that retailers sell (upstream emissions) and the emissions that customers create by using and ultimately disposing of the products that they purchase (downstream emissions).”⁴ Because they constitute a significant portion of retailers’ total emissions, meaningful efforts by retailers to reduce their contribution to systemic climate risk must address these product-related emissions.

Amazon does not meet this standard. It discloses product-related value chain GHG emissions only for its private label (i.e., Amazon-branded) products.⁵ However, Amazon states that “private brands sales represent only about 1% of our total sales.”⁶ Amazon therefore fails to disclose upstream and downstream emissions associated with 99% of its direct product sales.

Under the Science Based Targets initiative (SBTi) protocol, retail companies should count the emissions associated with all products they sell to consumers.⁷ Peers Target and Walmart each disclose emissions from all product sales, not just their private label products.⁸ Disclosing the GHG emissions associated with only a fraction of a retailer’s product sales, as Amazon does, risks providing a misleading impression of the retailer’s total emissions and its exposure to climate-related risk.

By disclosing all material Scope 3 value chain emissions, Amazon can prepare for climate regulation, address systemic climate risk, insulate itself from potential reputational harm, increase the legitimacy of its climate targets, and position itself to maximize benefits from climate-related opportunities.

RESOLVED: Shareholders request that Amazon disclose all material Scope 3 greenhouse gas emissions.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdfp.20
2. <https://www.sec.gov/files/33-11042-fact-sheet.pdfp.1>
3. <https://nrf.com/blog/retailers-set-science-based-targets-address-climate-change>
4. <https://nrf.com/blog/retailers-set-science-based-targets-address-climate-change>
5. <https://sustainability.aboutamazon.com/2022-sustainability-report.pdfp.12>
6. <https://www.congress.gov/116/meeting/house/110883/documents/HHRG-116-JU05-20200729-QFR052.pdfp. 23-24>
7. <https://revealnews.org/article/private-report-shows-how-amazon-drastically-undercounts-its-carbon-footprint/>
8. <https://corporate.target.com/getmedia/9fecfc3e-8855-48b1-a8c7-dca158e77564/2022-CDP-Climate-Response.pdfp. 64-74; https://corporate.walmart.com/content/dam/corporate/documents/esgreport/cdp-response-archive/cdp-climatechange2021.pdfp.20-24; https://revealnews.org/article/private-report-shows-how-amazon-drastically-undercounts-its-carbon-footprint/>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Paris-Aligned Climate Lobbying—Framework

Amazon.com, Inc

Amazon.com Inc. (“Amazon” or “Company”) pays trade association dues and other membership fees¹ to organizations that consistently doubt the scientific consensus on climate change.²

The Company asserts that its lobbying and advocacy activities are “aligned with [Net Zero targets and] the Paris Agreement goals”³, noting that it “advocate[s] in support of public policy that [addresses] clean energy, sustainable transportation, and other decarbonizing solutions.”⁴ However, in contrast, Amazon also admits that its “membership in certain organizations may... be viewed as indirectly funding positions that are inconsistent with [our] views on climate change and the Paris Agreement goals.”⁵

Without discussing the trade-offs, Amazon acknowledges misalignment between its policy positions and those of the third parties representing the Company, but broadly asserts that the benefits of such relationships – despite misalignments with core Company goals—outweigh the risk.⁶ Amazon claims to discuss these misalignments with the third parties involved,⁷ but provides insufficient detail for investors to evaluate whether these assertions make sense. Further, Amazon discloses sporadic and incomplete details on its direct climate lobbying activities.

While Amazon publicly notes several examples of positive direct lobbying (i.e., lobbying that aligns with the Paris Agreement’s goals), the Company has refused to disclose the policy positions, actions, assessment framework, or escalation considerations that would be necessary for investors to analyze and address the risk of misalignment in Amazon’s lobbying activities overall.

Lobbying alignment matters because dangerous gaps persist between national climate targets and the actions required to meet them—and corporate lobbying that stalls robust action and allows this implementation gap to rise represents a threat to market stability. “As global temperatures and greenhouse gas emissions break records, the latest Emissions Gap Report... finds that current pledges under the Paris Agreement put the world on track for a 2.5-2.9°C temperature rise.”^{8,9} Shareholders believe Amazon’s current business model would face significant jeopardy under such a scenario.

Corporate lobbying that is inconsistent with Paris Agreement goals poses escalating and systemic risk to companies and their investors. Shareholders need clear, credible information on whether Amazon’s direct and indirect lobbying is aligned with the Company’s stated climate targets—because evidence shows that some companies tout their climate efforts while allowing the organizations and initiatives they support to block genuine climate progress.

THEREFORE, BE IT RESOLVED: Amazon shareholders request that the Board report publicly on its framework for identifying and addressing misalignment between Amazon’s lobbying and policy influence activities and positions, and its Net Zero (emissions) climate commitments (done at reasonable cost, omitting confidential or proprietary information). This report should cover activities done both directly and indirectly through trade associations, coalitions, alliances, and social welfare organizations (“Associations”), and reference the criteria used to assess alignment, the escalation strategies employed to address misalignment, and the circumstances under which escalation strategies are used (e.g., timeline, sequencing, and degree of influence over an Association).

1. https://s2.q4cdn.com/299287126/files/doc_downloads/2021/political_engagement/2021-Political-Engagement-Statement.pdf ;
<https://lobbymap.org/influencer/California-Chamber-of-Commerce-5bd0824487d9cdacdc577e0af93089ed>
2. <https://www.aei.org/articles/what-we-really-know-about-climate-change>
3. https://s2.q4cdn.com/299287126/files/doc_downloads/2022/Note-on-Alignment-with-Paris-Agreement.pdf
4. Ibid.
5. Ibid.
6. https://s2.q4cdn.com/299287126/files/doc_downloads/2022/Note-on-Alignment-with-Paris-Agreement.pdf
7. Ibid.
8. <https://climateactiontracker.org/global/cat-emissions-gaps>
9. <https://www.unep.org/news-and-stories/press-release/nations-must-go-further-current-paris-pledges-or-face-global-warming> ;
<https://www.unep.org/resources/emissions-gap-report-2023>

Paris-Aligned Climate Lobbying—Framework

Meta (Facebook Inc.)

Meta Platforms Inc. (“Meta” or “Company”) pays trade association dues and other membership fees to organizations that consistently doubt the scientific consensus on climate change.¹ The Company scores below its peers on many other aspects of climate policy advocacy as well.²

Clean energy policy should matter to Meta, since its greenhouse gas emissions increased 50% from 2021 to 2022, and electricity usage rose 22.5% in one year alone (2021-2022), according to its own reporting.^{3,4}

Meta notes that for it to reach its “net zero emissions goal in 2030, [we] need governments around the world to move toward a net zero economy.”⁵ Yet a review of Meta’s direct climate lobbying and its disclosed trade associations and other memberships⁶ reveals concerning inconsistencies with Meta’s actions on, and commitments to, its own Net Zero ambitions.^{7,8} Meta further supports the direction of some potentially misaligned organizations by serving on their boards, and by lobbying against legislation requiring enhanced corporate climate disclosure.^{9,10}

While Meta notes it doesn’t always agree with the positions and policies of its trade association and membership organizations,¹¹ it has not disclosed the policy positions, actions, assessment framework, nor escalation considerations needed for investors to analyze and address the risk of misalignment in the Company’s current lobbying activities.

Such alignment matters because dangerous gaps continue to exist between national climate targets and the actions required to meet them, and lobbying to stall robust action threatens market stability as this implementation gap rises. “As global temperatures and greenhouse gas emissions break records, the latest Emissions Gap Report...finds that current pledges under the Paris Agreement put the world on track for a 2.5-2.9°C temperature rise....”^{12,13}

Proponents believe Meta’s current business model would face significant threats under such a scenario.

Shareholders need clear, credible information on whether Meta’s lobbying is aligned with the Company’s stated climate targets – because evidence shows that some companies tout their climate efforts while allowing themselves or the organizations and initiatives they support to block genuine climate progress.

BE IT RESOLVED: Meta shareholders request that the Board report publicly on its framework for identifying and addressing misalignment between Meta’s lobbying and policy influence activities and positions, and its Net Zero (emissions) climate commitments (done at reasonable cost, omitting confidential/proprietary information). This report should cover activities done both directly and indirectly through trade associations, coalitions, alliances, and social welfare organizations (“Associations”), and reference the criteria used to assess alignment, the escalation strategies employed to address misalignment, and the circumstances under which escalation strategies are used (e.g., timeline, sequencing, and degree of influence over an Association).

1. <https://about.meta.com/facebook-political-engagement/>; <https://www.aei.org/podcast/steven-koonin-on-climate-science-and-extreme-weather/>; <https://www.aei.org/policy-areas/science-and-energy/>; <https://www.aei.org/politics-and-public-opinion/its-time-to-cancel-the-climate-crisis/>; <https://www.nytimes.com/2019/07/10/climate/nyt-climate-newsletter-ceti.html>; <https://www.washingtonpost.com/politics/2023/08/02/climate-group-pushes-big-tech-exit-nations-largest-business-lobby/>; <https://prospect.org/power/2023-07-17-climate-denialist-think-tank-ftc/>.
2. <https://lobbymap.org/company/Facebook-ffb0b8e1f69795c122a866ab673751f9>; In-N-Out Burger, Meta fight California climate change bill (ktvu.com)
3. <https://sustainability.fb.com/wp-content/uploads/2023/07/2023-Meta-ESG-Data-Index.pdf>
4. https://www.utilitydive.com/news/electricity-load-growing-twice-as-fast-as-expected-Grid-Strategies-report/702366/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202023-12-14%20Utility%20Dive%20Newsletter%20%5Bissue:57387%5D&utm_term=Utility%20Dive
5. <https://sustainability.fb.com/wp-content/uploads/2023/07/Meta-2023-Sustainability-Report.pdf>
6. <https://about.facebook.com/facebook-political-engagement/>
7. <https://www.aei.org/politics-and-public-opinion/its-time-to-cancel-the-climate-crisis/>
8. <https://www.ceres.org/accelerator/responsible-policy-engagement/database/meta-platforms-inc-formerly-facebook>
9. <https://www.uschamber.com/about/governance/board-of-directors>
10. <https://www.ktvu.com/news/in-n-out-burger-and-facebook-parent-company-meta-are-fighting-a-climate-bill-in-sacramento>
11. https://about.meta.com/facebook-political-engagement/?utm_source=about.facebook.com&utm_medium=redirect
12. <https://climateactiontracker.org/global/cat-emissions-gaps/>
13. <https://www.unep.org/news-and-stories/press-release/nations-must-go-further-current-paris-pledges-or-face-global-warming; https://www.unep.org/resources/emissions-gap-report-2023>

Paris-Aligned Climate Lobbying—Framework

Alphabet, Inc.

Alphabet Inc. (“Alphabet” or “Company”) pays trade association dues and other membership fees to organizations that consistently cast doubt on the scientific consensus on climate change.¹ Alphabet further supports third parties actively opposing business-critical Paris-aligned climate policies.² Investors increasingly see misaligned public policy activities as out of step with the goals of the Paris Agreement and companies’ Net Zero targets. Investors widely agree with corporate disclosure of lobbying activities. While this proposal is not calling on the Company to leave its trade associations, we submit this proposal to encourage the board to remedy climate misalignment and have clear and public criteria for doing so.³

Alphabet notes sponsorship and collaboration “doesn’t mean that we endorse the organization’s entire agenda, its events or advocacy positions, nor the views of its leaders or members. We assess the alignment of our trade association participation with the goals of the Paris Agreement...”⁴

Yet the Company does not provide information on the cadence of an evaluation, the criteria it considers, nor how it remedies any misalignments found. Alphabet notes that it speaks to industry associations about climate policy, yet it is still active in groups like the U.S. Chamber of Commerce, Business Europe, and Japan Business Federation, “all of which have consistently opposed ambitious climate action in their respective jurisdictions,” per numerous sources.^{5,6}

One of the five pledges of the United Nations’s Race to Zero initiative, in which Alphabet participates, is “Within 12 months of joining, align external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global (net) zero by 2050.”⁷ While Alphabet has joined several trade and policy groups in recent years to enable stronger renewable energy policy, these activities may be negated as other influential groups that Alphabet participates in seek to obstruct climate policy progress.

Alphabet focuses on its positive climate lobbying efforts in its CDP response and notes engagements with trade associations to encourage alignment. However, Alphabet omits disclosure of the areas where climate commitments may be undermined via current public policy actions and memberships.⁸ We urge the board to adopt more systematic practices and provide key information needed to assess climate transition plans.

RESOLVED: Alphabet shareholders request that the Board report publicly on its framework for identifying and addressing misalignment between Alphabet’s lobbying and policy influence activities and positions, and its Net Zero (emissions) climate commitments (done at reasonable cost, omitting confidential/proprietary information). This report should cover activities done both directly and indirectly through trade associations, coalitions, alliances, and social welfare organizations (“Associations”), and reference the criteria used to assess alignment, the escalation strategies employed to address misalignment, and the circumstances under which escalation strategies are used (e.g., timeline, sequencing, and degree of influence over an Association).

1. <https://kstatic.googleusercontent.com/files/ddfc97f01d89290e37bc52abdd9704bc3314ec5598bebe9676c64cd7a5ba1a719acaf069c1fc2c18986e507f58bf3b50c750119c778cb4e88e99f3fb4dd904b4> ; <https://www.aei.org/podcast/steven-koonin-on-climate-science-and-extreme-weather/> ; <https://www.aei.org/politics-and-public-opinion/its-time-to-cancel-the-climate-crisis/> ; <https://cei.org/issues/energy-and-environment/>
2. <https://www.washingtonpost.com/politics/2023/08/02/climate-group-pushes-big-tech-exit-nations-largest-business-lobby/> ; <https://prospect.org/power/2023-07-17-climate-denialist-think-tank-ftc/> ; <https://lobbymap.org/company/Google-55106f7e39973bc5344cdf3b71aaed19>
3. <https://climate-lobbying.com/apply-global-standard/> ; https://portal.s1.spglobal.com/survey/documents/Annual_Scoring_Methodology_2023.pdf ; <https://www.ceres.org/sites/default/files/CTAP%20Framework%20Summary.pdf> ; https://transitiontaskforce.net/wp-content/uploads/2023/10/TPT_Disclosure-framework-2023.pdf ; https://ceres.org/sites/default/files/reports/2022-11/RPE%20Report_Nov22.pdf
4. <https://www.gstatic.com/gumdrop/sustainability/google-2023-environmental-report.pdf>
5. <https://lobbymap.org/company/Google-55106f7e39973bc5344cdf3b71aaed19>
6. <https://www.politico.com/newsletters/the-long-game/2023/02/16/dissecting-the-chambers-stance-on-climate-policies-00083181>
7. <https://unfccc.int/climate-action/race-to-zero-campaign#Minimum-criteria-required-for-participation-in-the-Race-to-Zero-campaign>
8. <https://www.gstatic.com/gumdrop/sustainability/alphabets-2023-cdp-climate-change-response.pdf>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Paris-Aligned Lobbying—Net Zero Assessment

Tyson Foods, Inc.

RESOLVED: Shareholders request that Tyson Foods (“Tyson”) conduct an evaluation and issue a report annually, beginning within the next year (at reasonable cost, omitting proprietary information) describing if, and how, its lobbying, directly and through the activities of its trade associations and social welfare organizations, aligns with the Company’s science-based targets and long term net zero ambitions. The report should also address the risks presented by any misaligned lobbying and Tyson’s efforts, if any, to mitigate these risks.

SUPPORTING STATEMENT: Rapid reductions in global greenhouse gas emissions are needed by 2030 to limit global warming and meet the goals of the Paris Climate Agreement. If that goal is not met, even more rapid reductions, at greater cost, will be required to compensate for the slow start on the path to global net zero emissions.

Meanwhile, critical gaps remain between existing public policies and actions required to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling and encouraging policymakers to close these gaps.

Corporate lobbying that is inconsistent with the Paris Agreement and a company’s own climate targets presents material risks to investors, as delays in emissions reductions increase the compounding physical risks of climate change, threaten economic stability, and heighten uncertainty and volatility in investment portfolios.

Of additional concern are trade associations that say they speak for business but too often present forceful obstacles to addressing the climate crisis and to companies meeting their climate goals.

We recognize the industry-leading commitment that Tyson has made to reach net-zero greenhouse gas emissions across the company’s global operations and supply chain by 2050 and the certification of its emissions targets by the Science Based Targets initiative. However, achieving this goal will require supportive public policy to promote needed innovations and investments including increased renewable energy, transport electrification and sustainable farming. Climate change is a systemic risk and a global challenge; Tyson and other companies will require the support of sound public policy to make the rapid transition to a low-carbon economy to mitigate this long-term risk.

Dozens of companies in both the U.S. and Europe have produced or agreed to issue reports evaluating their policy advocacy programs in the past two years, enabling investors to better understand how their public policy positions align with their climate ambitions and the goals of the Paris Agreement.

Tyson reports its membership in some trade associations that have taken negative positions on recent climate and energy legislation such as the Inflation Reduction Act, including the U.S. Chamber of Commerce and the National Association of Manufacturers. However, the Company provides insufficient information to help investors understand if or how the Company works to ensure that its lobbying activities directly and/or indirectly (through trade and membership organizations) align with its climate goals, and how management and the board address identified misalignments.

Paris-Aligned Lobbying—Net Zero Assessment

Wells Fargo & Company

WHEREAS: According to the Fifth National Climate Assessment, weather-related disasters currently generate at least \$150 billion in damages to the US per year and could cause more economic harm as temperatures continue to rise.¹ The Financial Stability Oversight Council identified climate change as an emerging and increasing threat to the financial system.²

Wells Fargo & Company (“WFC”) acknowledges that “achieving net-zero GHG emissions by 2050 requires action from a host of stakeholders, including supportive government policies, public investment, shifts in business models and consumer behavior, and the commercialization of new decarbonizing technologies.”³ WFC is a member of the Net Zero Banking Alliance.⁴

Major companies have enormous influence and bipartisan credibility to help establish a policy environment that can avert the most dire climate risks and take advantage of this generational economic shift. WFC has committed to advocating for policies that enable client transitions to net zero emissions.⁵ However, WFC’s positions on and details of engagement with policymakers are unclear.⁶

Corporate lobbying that is inconsistent with the Paris Agreement poses escalating material risks to companies and investors.⁷ Trade associations and other policy organizations that speak for businesses like WFC often present major obstacles to addressing the climate crisis. WFC is a member of financial industry associations, the U.S. Chamber of Commerce, the Business Roundtable, American Bankers Association, and the Bank Policy Institute,⁸ which are opposing emerging sustainable finance policy, including recently objecting to California’s greenhouse gas disclosure bill, SB 253.⁹

WFC’s current disclosures do not adequately inform investors if or how WFC ensures its direct and indirect lobbying activities align with its net zero goal and the Paris Agreement. WFC states when it disagrees with its trade associations that it is “committed to sharing our perspective in a constructive manner,”¹⁰ but this does not represent a comprehensive, public review of WFC’s memberships and climate policy positions, including how WFC addresses any policy misalignment with its net zero ambitions, nor an escalation plan for non-alignment.

RESOLVED: WFC Shareholders request that the Board of Directors analyze and report annually (at reasonable cost, omitting confidential and proprietary information) on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations), with its public commitment to achieve net zero emissions by 2050—including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process.

SUPPORTING STATEMENT: In evaluating the degree of alignment between its emissions goals and its lobbying, WFC should disclose its direct and indirect policy positions and lobbying actions with regard to climate provisions of key international, federal and state legislation and regulation. WFC should consider investor expectations described in the Global Standard on Responsible Climate Lobbying¹¹ as a useful resource for implementation.

1. <https://nca2023.globalchange.gov/chapter/19/#key-message-1>
2. <https://home.treasury.gov/news/press-releases/jy0426>
3. <https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/climate-disclosure.pdf>
4. <https://newsroom.wf.com/English/news-releases/news-release-details/2021/Wells-Fargo-Joins-Net-Zero-Banking-Alliance/default.aspx>
5. <https://newsroom.wf.com/English/news-releases/news-release-details/2021/Wells-Fargo-Sets-Goal-to-Achieve-Net-Zero-Greenhouse-Gas-Emissions-by-2050/default.aspx>
6. <https://www.ceres.org/accelerator/responsible-policy-engagement/database/wells-fargo>
7. <https://www.occ.gov/news-issuances/speeches/2021/pub-speech-2021-116.pdf?source=email>
8. <https://www.wellsfargo.com/about/corporate-responsibility/government-relations/>
9. <https://www.ceres.org/sites/default/files/reports/202308/Responsible%20Policy%20Engagement%20Benchmarking%20for%20Banks.pdf>
10. <https://www.wellsfargo.com/about/corporate-responsibility/government-relations/>
11. https://climate-lobbying.com/wp-content/uploads/2022/03/2022_global-standard-responsibleclimate-lobbying_APPENDIX.pdf

Paris-Aligned Lobbying—Net Zero Assessment

Bank of America Corp.

WHEREAS: Climate change poses a systemic risk, with estimated global GDP loss of 11-14% by midcentury under current trajectories.¹ The U.S. Financial Stability Oversight Council has identified climate change as an increasing threat to the financial system.² We believe lobbying and public policy action inconsistent with the Paris Agreement may present an increasingly pressing danger to companies.

We applaud Bank of America's (BAC) commitment to achieving net zero by 2050. BAC acknowledged achieving its net zero goal requires collective action, including by policymakers, and described itself as "supportive of policies that will help accelerate the transition to a low-carbon economy... Independently, and working with trade associations and other collaborations, [we] advocate for more urgent action on climate change by the public and private sectors and promote policies that align with the role played by banks in helping to finance the transition to net zero."³

However, BAC risks reputational damage⁴ and may foster potential systemic risk by funding organizations lobbying against climate legislation—contradicting its own public statements and possibly undermining achievement of its net zero goal. BAC is a member of industry associations opposing critical climate change policies, including the U.S. Chamber of Commerce, the Business Roundtable, and the Bank Policy Institute.⁵

BAC's current disclosures do not adequately inform investors if or how BAC ensures its direct and indirect lobbying activities align with its net zero goal and the Paris Agreement. BAC "continually evaluate[s] the overall benefit of our continued memberships"⁶ and has engaged with the Chamber of Commerce via membership in its Climate Solutions Working Group, but this does not represent a comprehensive, public review of BAC's memberships and policy positions, including how BAC addresses misalignment with its net zero goal and the Paris Agreement, clear lines of governance oversight, or an escalation plan for non-alignment.

RESOLVED: Shareholders request that BAC's Board of Directors analyze and report to shareholders annually (at reasonable cost, omitting confidential and proprietary information) on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations) with its public commitment to achieve net zero emissions by 2050, including the climate policy activities and positions analyzed, the criteria used to assess alignment, and the involvement of stakeholders, if any, in the analytical process.

SUPPORTING STATEMENT: In evaluating the degree of alignment between its net zero goals and its policy advocacy, which we believe good governance calls for, BAC should disclose its lobbying actions regarding climate provisions of key international, federal and state legislation and regulation, and not rely on organizational statements supporting climate progress. BAC should consider investor expectations in Global Standard on Responsible Climate Lobbying⁷ a useful implementation resource.

1. <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html>
2. <https://home.treasury.gov/news/press-releases/jy0426>
3. https://about.bankofamerica.com/content/dam/about/report-center/esg/2022/BOA_TCFD_2022%209-22-2022-VOX220929%20split%20paragraph%20Secured.pdf
4. <https://www.wri.org/insights/how-businesses-mitigate-risk-greenwashing-trade-associations-us>
5. <https://lobbyimap.org/company/Bank-Of-America-bf1bc73d9bf51fc904365193669853c9/projectlink/Bank-Of-America-in-Climate-Change-e2d97e75a1dbf4155e6d4939775be670>,
<https://influencemap.org/briefing/The-U-S-Chamber-of-Commerce-and-Climate-Policy-21084>,
<https://ca100.influencemap.org/Industry-Associations>
6. <https://investor.bankofamerica.com/corporate-governance/governance-library/political-activities>
7. https://climate-lobbying.com/wp-content/uploads/2022/03/2022_global-standard-responsibleclimatelobbying_APPENDIX.pdf

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Paris-Aligned Lobbying—Net Zero Assessment

American Express Co.

A similar resolution was submitted to International Business Machines Corp. (IBM)

RESOLVED: Shareholders request that the Board of Directors annually analyze and report to shareholders (at reasonable cost, omitting proprietary information) on whether and how American Express (“Amex” or “Company”) is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, and other organizations) with its net-zero emissions by 2035 target, including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process.

SUPPORTING STATEMENT: In evaluating the degree of alignment between the Company’s emissions goals and its lobbying, Amex should consider the policy positions, actual lobbying, and policy influence activities of organizations of which it is a member.

This request is consistent with the investor expectations described in the Global Standard on Responsible Climate Lobbying,¹ which is a useful resource for implementation.

The United Nations Framework Convention on Climate Change asserts that greenhouse gas emissions must decline by 45 percent from 2010 levels by 2030 to limit global warming to 1.5 degrees Celsius. If that goal is not met, even more rapid reductions, at greater cost, will be required to compensate for the slow start.²

Amex has publicly committed to achieving company-wide net-zero emissions by 2035 in alignment with the Science Based Targets initiative.³ Amex has recognized that active engagement in the public policy arena is an essential part of responsible corporate citizenship. In its 2023 ESG Report, climate change was identified as the most important issue to Amex stakeholders.⁴ However, the Company’s positions and details of engagement over specific climate-related policies that would align with its own net-zero commitments are unclear.

Shareholders would thus benefit if Amex disclosed details on aligning its policy advocacy activities with its climate-related commitments.

Despite the recent passage of the Inflation Reduction Act, critical gaps remain between the United States’ Nationally Determined Contributions and necessary climate action.

Companies continue to have an important role to play in enabling policymakers to close these gaps.

Corporate lobbying that is inconsistent with the Paris Agreement presents increasingly material risks to Amex and its shareholders, as delays in emissions reductions undermine political stability, damage infrastructure, impair access to finance and insurance, and exacerbate health risks.

While Amex has disclosed memberships in trade associations, investors lack sufficient information to understand how the company ensures its direct and indirect lobbying aligns with its climate-related commitments, and what actions it takes to address any misalignments. This is concerning given the company’s membership in major trade associations with track records of opposing science-based climate policies, such as the Business Roundtable⁵ and the U.S. Chamber of Commerce.⁶

Add Value: Vote For Proposal [4*] Report Climate Lobbying Alignment

1. <https://climate-lobbying.com/>

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

3. <https://www.ibm.com/about/environment/energy-climate>

4. https://www.americanexpress.com/content/dam/amex/en-us/newsroom/pdfs/AXP_2022-2023_ESG_Report.pdf

5. <https://lobbymap.org/influencer/Business-Roundtable>

6. <https://lobbymap.org/influencer/US-Chamber-of-Commerce/projectlink/US-Chamber-of-Commerce-In-Climate-Change>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Just Transition and Impact of Plant Closure

Chevron Corp.

A similar resolution was submitted to Exxon Mobil Corporation.

RESOLVED: The shareholders of Chevron Corporation (the “Company”), hereby request that the Board of Directors create a report regarding the social impact on workers and communities from closure or energy transition of the Company’s facilities, and alternatives that can be developed to help mitigate the social impact of such closures or energy transitions. The report should be prepared at reasonable cost, omitting proprietary information, and be available on the Company’s website by the 2025 Annual Meeting of Shareholders.

As the nation and our Company prepare for and participate in a transitioning energy economy, our Company should play a role to in helping to provide security for impacted workers and communities where our Company operates.

Our Company’s Chairman and CEO Michael K. Wirth has personally signed the Business Roundtable’s Statement on the Purpose of a Corporation which affirmed our Company’s commitment to serve all stakeholders, including “investing in our employees” and “supporting the communities in which we work.” (<https://opportunity.businessroundtable.org/ourcommitment/>)

UN PRI’s Statement of Investor Commitment to Support a Just Transition on Climate Change states that “the responsible management of workforce and community dimensions of climate change are increasingly material drivers for value creation.” (<https://www.unpri.org/download?ac=10382>)

In the International Labour Organization’s (ILO) 2015 Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All, the ILO emphasizes that the transition to environmentally sustainable economies and societies involves “the pivotal role of employers” and “anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development and social dialogue, including the effective exercise of the right to organize and bargain collectively.” (https://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf)

Chevron plans to allocate \$10 billion in lower carbon investment and carbon reduction projects by 2028. Its 2023 Climate Change Resilience Report outlined the board’s governance structure relevant to the energy transition and outlined how our company has a process to evaluate facility- and activity-related risks from planning to decommissioning. However, there is no discussion about how stakeholder engagement relates to its risk evaluation and energy transition oversight. This planning needs to include disclosure of time-bound, measurable indicators for meaningful engagement with key stakeholders.

For these reasons, it is imperative that the Board creates the proposed report as a first step towards understanding and mitigating the impact of future plant closings and energy transition on workers and communities where the Company operates.

We urge shareholders to vote “FOR” this proposal.

Just Climate Transition Report

Cummins Inc.

WHEREAS: The Paris Agreement underscores the “close links between climate action, sustainable development, and a just transition.” To support implementing a just transition, the International Labor Organization (ILO) provides guidelines highlighting the anticipated employment impacts, importance of skills development and decent work during the energy transition, and adaptation needed by companies and communities to avoid lost assets, livelihoods, or involuntary migration.¹

Investors increasingly acknowledge the importance of providing greater market certainty in the just transition to a low-carbon economy. Climate Action 100+, an initiative comprised of over 700 investors managing \$68 trillion, outlines shareholder expectations for corporate Just Transition disclosure in its Net Zero Company Benchmark.²

Much of the ground transportation sector recognizes the need to transition business models from high-emitting internal combustion engines to zero and lower-emissions technologies. All major U.S automakers have goals that up to 40-50 percent of all vehicles sold will be electric by 2030.³

Cummins is a leading vehicle parts manufacturer enabling transportation decarbonization, fuel-agnostic solutions, and vehicle electrification. Decarbonization efforts will likely impact stakeholders through changes in workforce size, skills required, and manufacturing facility location, leading to impacts on local communities. Inadequate stakeholder engagement, consultation, and transparency about the impacts of decarbonization may contribute to misunderstanding or breakdown in employee engagement or trust, as observed in the sector during the 2023 United Auto Workers strike.⁴

While Cummins’ commitment to environmental justice is commendable, the scale and reach of its programs, or application to employees affected by its decarbonization efforts, is unclear. Its commentary on attracting a workforce of the future lacks a link to the climate strategy. For example, it does not include how it will align workforce capacity with demand or prepare the workforce through training and upskilling programs, as peers have begun to do.⁵

Just transition considerations are meant to empower, not delay, decarbonization and improve corporate productivity, agility, and social license to operate. Furthermore, the Inflation Reduction Act and Infrastructure Investment and Jobs Act include incentives and support for a just and inclusive transition.

RESOLVED: Shareholders request that the Board of Directors publish a just transition report, disclosing how Cummins is assessing, consulting on, and addressing the impact of its climate change-related strategies on affected stakeholders, including but not limited to its employees, workers in its supply chain, and communities in which it operates, consistent with the ILO’s “just transition” guidelines. The report should be updated annually, produced at reasonable cost, and omit proprietary information.

SUPPORTING STATEMENT: Shareholders recommend the report include, at Board discretion:

- A set of measurable, time-bound indicators, such as those recommended by Climate Action 100+ or the World Benchmarking Alliance, and progress against such indicators; and
- Disclosure of Cummins’ stakeholder engagement process in developing its just transition plan, such as participating stakeholders, their key recommendations, and progress on these recommendations. Key stakeholders to consult may include labor representatives, disproportionately impacted community groups, and local governments.

1. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf

2. <https://www.climateaction100.org/net-zero-company-benchmark/>

3. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/09/14/fact-sheet-president-bidens-economic-plan-drives-americas-electric-vehicle-manufacturing-boom/>

4. <https://www.automotivedive.com/news/ev-transition-role-uaw-autoworker-strike-gm-ford-stellantis/695048/>

5. <https://borgwarner.canto.global/direct/document/g2vcsoj07f124favcpug2fg9g4m/S4MTKehKtpXdlqe3fMjEu4j-0WA/original?content-type=application%2Fpdf&name=2023+Sustainability+Report.pdf>, p. 32

Just Climate Transition Report

Kroger Co.

A “just transition” is increasingly recognized as an important component of climate action to address the needs, priorities, and realities of society while mitigating climate change and fostering resilience. The International Labor Organization (ILO) published just transition guidelines for governments and businesses with guidance on anticipating, preparing, and adapting to the employment impacts of climate change,¹ premised on respect for rights at work and fundamental labor protections, including against forced labor. The World Benchmarking Alliance (WBA) developed a methodology to assess companies on their contribution to a just transition.²

Kroger acknowledges in its 10K and CDP report that climate change presents physical and transition risks that may impact the company’s ability to operate its own facilities and supply chain. The food and agriculture industry contributes one third of global greenhouse gas emissions, and the agricultural supply chain is vulnerable to changing patterns of drought, extreme heat, and precipitation, as well as climate migration. In 2030, the sector may account for 60 percent of global work hours lost to heat stress. Farmworkers face heightened climate related risks, including heat related illness and death,³ exhaustion and heat stress,⁴ mental health stressors, increased pesticide exposure,⁵ as well as other severe human rights violations including forced labor.⁶

Yet, Kroger’s disclosures overlook the climate-related risks to workers, such as impacts of heat stress on job quality and productivity for workers that harvest and deliver the commodities and products to Kroger’s stores. Failure to identify, evaluate, and adapt to these risks can lead to business disruptions, lack of supply chain resilience, and legal and reputational risk. In 2023 a Kroger distribution center employee died on the job due to heat-related causes.⁷ Despite Kroger’s existing responsible sourcing policies, it has been connected in 2023 and 2024 to major forced labor cases in the United States involving its suppliers, which resulted in convictions or are currently being prosecuted.⁸

Worker-driven social responsibility models, including the Fair Food Program (FFP),⁹ have been responsive to identifying the risks of climate change and developing appropriate and enforceable protections from these risks and others facing farmworkers, without fear of retaliation.¹⁰

RESOLVED: Shareholders request that the Board of Directors publish a just transition report, at reasonable cost omitting proprietary information, disclosing how Kroger is assessing and addressing the impacts of climate change and ensuring fundamental labor protections for workers in its agricultural supply chain, consistent with the ILO’s just transition guidelines.

SUPPORTING STATEMENT: Shareholders recommend the report include, at Board discretion:

- A set of measurable, time-bound indicators, such as those recommended by the WBA,
- An evaluation of the risks facing its agricultural supply chain workers, and how, if at all Kroger is addressing them, detailing how its efforts compare to other effective mechanisms such as the FFP, and
- Disclosure on the stakeholder engagement process used in developing its just transition report.

1. https://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf; https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_711919.pdf
2. <https://assets.worldbenchmarkingalliance.org/app/uploads/2021/07/Just-Transition-Methodology.pdf>
3. <https://insideclimatenews.org/news/31122023/california-farmworkers-dying-in-the-heat/>
4. <https://www.bloomberg.com/news/articles/2021-08-12/farmworkers-overheat-on-frontlines-of-climate-change>
5. https://www.farmworkerjustice.org/wp-content/uploads/2022/05/EJ-Symposium-Issue-Brief-Climate-Change_FINAL.pdf
6. https://polarisproject.org/wp-content/uploads/2021/06/Polaris_Labor_Exploitation_and_Trafficking_of_Agricultural_Workers_During_the_Pandemic.pdf
7. <https://www.theguardian.com/us-news/2023/aug/28/kroger-worker-dies-heat-temperature>
8. <https://www.dol.gov/newsroom/releases/whd/whd20230202-2>; <https://www.levernews.com/how-krogers-merger-push-leads-back-to-alleged-human-trafficker/>
9. <https://www.cbp.gov/sites/default/files/assets/documents/2021-Aug/CBP%202021%20VTW%20FAQs%20%28Forced%20Labor%29.pdf>; <https://blog.dol.gov/2022/01/13/exposing-the-brutality-of-human-trafficking/>; <https://www.ams.usda.gov/services/grants/flsp/faq>
10. <https://ciw-online.org/blog/2023/11/how-the-fair-food-programs-heat-protections-are-saving-lives-and-leading-the-way-toward-a-worker-driven-solution/>; <https://www.thepacker.com/news/social-responsibility/farming-under-big-red-sun-worker-advocates-push-heat-stress-protections>

Just Climate Transition Report

Union Pacific Corporation

WHEREAS: The Paris Agreement underscored the “close links between climate action, sustainable development, and a just transition.” To support implementation of a just transition, the International Labor Organization (ILO) developed guidelines discussing the anticipated employment impacts, importance of skills development and decent work during the energy transition, and adaptation needed by companies and communities to avoid lost assets, livelihoods, or involuntary migration.¹

Investors increasingly acknowledge the importance of a just transition and providing greater market certainty in the transition to a low- carbon economy. Over 700 investors, managing \$68 trillion, support Climate Action 100+, which requests just transition disclosure.

Union Pacific Corporation (“The Company”) has been prudent to consider, strategize, and implement decarbonization efforts, alternative fuel initiatives, and operational efficiency. Proponents believe that without synchronous just transition planning, disruptions to current operations are likely. For example, transition efforts can contribute to significant changes to the number of employees, skills required, and facility size and location, leading to impacts on local communities, including changes to economic activity or tax revenue for local governments.

This impact can potentially be seen with industry peers. CSX has recently sold rail lines associated with coal, and Norfolk Southern’s new operation system reduces emissions by hauling fewer, longer trains. Both transitions could lead to workforce reductions, and industry efforts to scale up alternative fuels could further lead to significant changes in workforce skilling and size needs.

We would like to know how The Company plans to address concerns around scaling the decarbonization transition, with particular emphasis on the impact to workers and communities. Within its “Building America Report” are positive preliminary considerations of green jobs through community giving programs.² However, given company efforts and industry wide transitions, planning a just transition for stakeholders affected by the decarbonization phase should be tightly integrated.

Investors would also benefit from more information about how the Company plans to benefit from new government subsidies for the transition efforts, including those linked to support for workers and communities.³

RESOLVED: Shareholders request that the Board of Directors publish a just transition report, disclosing how Union Pacific Corporation is assessing, consulting on, and addressing the impact of its climate change- related strategy on affected stakeholders, including but not limited to its employees, workers in its supply chain, and communities in which it operates, consistent with the ILO’s “just transition” guidelines. The report should be updated annually, at reasonable cost, and omit proprietary information.

SUPPORTING STATEMENT: Shareholders recommend the report include, at Board discretion:

- A set of measurable, time- bound indicators, such as those recommended by Climate Action 100+, World Benchmarking Alliance, or the Glasgow Financial Alliance for Net Zero – and progress against such indicators; and
- Disclosure of the company’s stakeholder engagement process in developing its just transition plan, such as participating stakeholders, their key recommendations, and progress on recommendations made. Key stakeholders to consult may include labor representatives, disproportionately impacted community members, local governments and nonprofit organizations.

1. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf
2. https://www.up.com/cs/groups/public/@uprr@corprel/documents/up_pdf_nativetdocs/pdf_up_2022_bar.pdf
3. <https://www.whitehouse.gov/environmentaljustice/justice40/>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Environmental Justice Assessment

Goldman Sachs Group Inc.

WHEREAS: Environmental justice examines disparities in how people are exposed to environmental benefits and harms, which can have material implications for investors.

The United Nations has recognized that all people have a right to a clean, healthy and sustainable environment.¹ Fossil fuel development poses substantial risks to this and other human rights, and has been linked to significantly elevated rates of cancers, and air, soil, and water contamination for nearby residents.² These outcomes disproportionately affect children, workers, and people who are Black, Indigenous, have low income, or live in the Global South.³ Meanwhile, a disproportionate portion of the 17 million Americans exposed to the negative consequences of fossil fuel production are Black.⁴ Since 2016, Goldman Sachs has provided over \$143 billion in financing to fossil fuel companies.⁵

Goldman Sachs has also developed a framework to “put climate transition and inclusive growth at the forefront of” its work with clients.⁶ However, this transition carries several workforce⁷ and environmental justice risks. Research has found that economic and workforce benefits of the energy transition accrue unequally along lines of race and ethnicity, regardless of income or education.⁸ Most minerals required for electric vehicle, wind turbine, and battery production are concentrated in the Global South, where local people bear environmental harms associated with minerals extraction, and where climate change threatens production collapse.⁹ Resultant civic unrest, loss of social license, legislative or regulatory actions, and systemic risk of global failure of a transition can lead to stranded assets and reputational harm.

These environmental justice risks are not effectively addressed or managed in Goldman Sachs’ policies and reporting. Rigorous assessment and disclosure of these risks would enhance the bank’s risk management framework, improve its reputation, and advance its stated goals.

In recent years, Goldman Sachs has faced regulatory action and public scrutiny regarding its sustainability practices and disclosures. In 2022, the bank’s asset management subsidiary incurred a \$4 million penalty to settle SEC charges for sustainability-related policies and procedures failures.¹⁰ The bank has committed to help reduce racial disparities,¹¹ to “protect, preserve and promote human rights around the world,”¹² and shared its view that “companies’ management of environmental and related social risks and opportunities may affect long-term corporate performance.”¹³ By implementing this proposal, the bank can advance its commitments and deliver value to shareholders.

RESOLVED: Shareholders request that the Goldman Sachs Board of Directors conduct a rigorous assessment of material risks and opportunities related to the environmental justice impacts of its energy and power sector financing and underwriting and disclose the results, at reasonable expense and omitting proprietary and privileged information.

SUPPORTING STATEMENT: At the Board and management’s discretion, Proponents suggest that “material risks and opportunities” encompass both enterprise and systemic considerations, and that outcomes and recommendations from the assessment be integrated in a revised version of the bank’s Environmental Policy Framework.

1. <https://news.un.org/en/story/2022/07/1123482>
2. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6344296/>
3. <https://www.sciencedirect.com/science/article/pii/S2214629623001640>
4. <https://www.nature.com/articles/s41370-022-00434-9>
5. https://www.ran.org/wp-content/uploads/2023/04/BOCC_2023_vF.pdf
6. <https://www.goldmansachs.com/media-relations/press-releases/2021/announcement-04-mar-2021.html>
7. <https://www.nber.org/papers/w31539>
8. <https://www.libertp.com/doi/10.1089/scc.2022.0112>; <https://www.scientificamerican.com/article/solar-powers-benefits-dont-shine-equally-on-everyone/>
9. https://media.business-humanrights.org/media/documents/2023_Transition_Minerals_Tracker_JX5pGvf.pdf; <https://iea.blob.core.windows.net/assets/ffd2a83b-8c30-4e9d-980a-52b6d9a86fdc/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf>
10. <https://www.sec.gov/news/press-release/2022-209>
11. <https://www.goldmansachs.com/our-commitments/diversity-and-inclusion/racial-equity/>
12. <https://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/human-rights-statement.pdf>
13. <https://www.goldmansachs.com/citizenship/environmental-stewardship/epf-pdf.pdf>

Disclosure of Risks Associated with Continued Investment in High-Carbon Energy Products

General Electric Company

WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required to stave off the worst consequences of climate change.¹ Decarbonizing the energy sector, which accounts for nearly 75% of global greenhouse gas (GHG) emissions, is critical to achieving the global 1.5 degree Celsius (1.5°C) Paris goal.²

Despite the need for swift action to reduce GHG emissions, the General Electric Company (GE), whose technology is used to produce 30% of global electricity, continues to expand global reliance on fossil fuels through the sale of high-emitting, long-lived products including natural gas-powered turbines and liquid natural gas infrastructure.³ The emissions from downstream use of these carbon-intensive products accounts for 90% of GE's total carbon footprint.⁴ Continued investments in such high-carbon energy infrastructure locks in high emissions for decades, jeopardizing the achievement of global net zero targets.⁵

In the past year, GE's sales of natural gas-powered turbines have increased.⁶ While GE has a future goal of producing 100% hydrogen-capable turbines by 2030,⁷ use of hydrogen is not currently commercially feasible,⁸ nor can GE require turbine customers to actually use high-cost hydrogen in their turbines. Similarly, GE's proposed future integration of renewable natural gas and carbon capture into its energy infrastructure poses long-term scalability and cost hurdles.

On the other hand, GE is currently experiencing "unprecedented growth in demand for onshore and offshore wind turbines," and it notes the Inflation Reduction Act "is expected to resolve recent U.S. policy uncertainty... and significantly increase near-and longer-term demand in the U.S. for onshore and offshore wind projects."⁹

In 2021, nearly 98% of shareholders voted in support of GE disclosing its intent to align with a Net Zero goal. The Company's continued sale of high-emitting gas products is contrary to this goal and exposes the Company to the physical, regulatory, and market risks of an economy rapidly transitioning away from fossil fuel energy.

BE IT RESOLVED: Shareholders request that GE issue a report, at reasonable cost and omitting proprietary information, assessing the risks and opportunity costs of continued capital investment into high-carbon energy products as compared to renewable energy products.

SUPPORTING STATEMENT: The report should assess, at Board discretion:

- The regulatory, transition, stranded asset, climate, and competitive risks associated with continued investment in natural gas-powered products;
- The comparative benefits and risks of investing in the Company's renewables segment; and
- The extent to which continued investment in high-carbon natural gas products conflicts with GE's commitment to the Paris Agreement's 1.5°C goal.

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdfp.20

2. <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

3. https://www.ge.com/sites/default/files/ge2022_sustainability_report.pdfp.18

4. https://www.ge.com/sites/default/files/ge2022_sustainability_report.pdfp.13

5. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdfp.95

6. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000040545/291bb59a-1689-4400-8f57-ef9744ef9f51.pdfp.11-12>

7. https://www.ge.com/sites/default/files/ge2022_sustainability_report.pdfp.35

8. <https://www.eia.gov/energyexplained/hydrogen/use-of-hydrogen.php>

9. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000040545/291bb59a-1689-4400-8f57-ef9744ef9f51.pdf p.10>

Disclosure of Assets with Material Climate Impact

Chevron Corp.

WHEREAS: In the aggregate, upstream oil and gas assets are moving from operators with stronger climate commitments to operators with weaker climate targets and disclosures.¹ Transferring emissions from one company to another may reduce balance sheet emissions, but it does not mitigate company or stakeholder exposure to climate risk or contribute to the goal of limiting global temperature rise to 1.5 degrees Celsius (1.5°C). The Glasgow Financial Alliance for Net Zero warns that divestment from high-emitting assets can “have the unintended consequence of prolonging the life of high-emitting assets and even worsen emissions profiles.”² It is, therefore, essential that oil and gas operators adhere to industry-wide best climate practices for asset transfers and acquisition, such as reporting transferred emissions and working with buyers to ensure transferred assets retain climate standards.

Between 2016 and 2022, Chevron reports a 5.2% reduction in its portfolio carbon intensity.³ However, between 2017 and 2021, Chevron sold more assets than any other American oil and gas company, ranking third globally among sellers.⁴ Although Chevron shows in a graph that a portion of its operational greenhouse gas (GHG) emissions reductions comes from divestments.⁵ Chevron provides no further information relating to its divested assets, including whether the purchasing entity has climate standards or emissions disclosures. This reporting gap leaves investors with an incomplete understanding of Chevron’s actions to mitigate the Company’s contribution to climate change.

To address this issue, Chevron should follow best practices for divestitures, including conducting climate-related due diligence on acquirers, such as emissions reporting practices and emission reduction targets. This assessment may allow for screening out of acquirers that would increase the likelihood that transferred assets lead to higher global emissions to ensure that buyers maintain or enhance existing climate standards for divested assets.⁶

By increasing transparency and reporting of GHG-related disclosures from asset transfers, Chevron can position itself as a leader on climate change, increase the legitimacy of the Company’s climate targets, and provide essential information to its investors about Chevron’s efforts to mitigate climate risk.

BE IT RESOLVED: Shareholders request that Chevron annually report on divestitures of assets with material climate impact, including whether each asset purchaser discloses its GHG emissions and has 1.5°C-aligned or other greenhouse gas reduction targets.

1. <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p.17
2. <https://assets.bbhub.io/company/sites/63/2022/10/GFANZ-2022-Progress-Report.pdf>, p. 36
3. <https://www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf>, p.58; <https://www.chevron.com/-/media/chevron/sustainability/documents/climate-change-resilience-report.pdf>, p.66
4. <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p. 22
5. <https://www.chevron.com/-/media/chevron/sustainability/documents/climate-change-resilience-report.pdf>, p.39
6. <https://business.edf.org/wp-content/blogs.dir/90/files/Climate-Principles-Asset-Transfer.pdf>, p.3

Disclosure of Assets with Material Climate Impact

Exxon Mobil Corporation

WHEREAS: Transferring emissions from one company to another may reduce balance sheet emissions, but it does not mitigate company or stakeholder exposure to climate risk or contribute to the goal of limiting global temperature rise to 1.5 degrees Celsius (1.5°C). In the aggregate, upstream oil and gas assets are moving from operators with stronger climate targets and disclosures to operators with weaker climate commitments.¹ The Glasgow Financial Alliance for Net Zero warns that divestment from high-emitting assets can “have the unintended consequence of prolonging the life of high-emitting assets and even worsen emissions profiles.”² It is therefore essential that oil and gas operators adhere to industry-wide best climate practices for asset transfers and acquisition, such as reporting transferred emissions and working with buyers to ensure transferred assets retain climate standards.

ExxonMobil reports an operational emissions reduction of 5.4% on an equity basis and 12.5% on an operated basis since 2016.³ However, between 2017 and 2021, Exxon sold more assets than any other American oil and gas company except Chevron, ranking fourth globally among sellers.⁴ Exxon does not disclose the climate impacts of its divestments. This reporting gap leaves investors with an incomplete understanding of Exxon’s actions to mitigate its contribution to climate change.

To address this issue, Exxon should follow best practices for divestitures, including conducting climate-related due diligence on acquirers, including an evaluation of purchasers’ emissions reporting and reduction targets. Doing so would allow Exxon to ensure that purchasers maintain or enhance existing climate standards for divested assets, reducing the likelihood that transferred assets would result in higher emissions.⁵

By increasing transparency and providing greenhouse gas emissions-related disclosures for asset transfers, Exxon can position itself as a leader on climate change, increase the legitimacy of its climate targets, and provide essential information to its investors about its efforts to mitigate climate risk.

BE IT RESOLVED: Shareholders request that ExxonMobil annually report on divestitures of assets with material climate impact, including whether each asset purchaser discloses its GHG emissions and has 1.5°C-aligned or other greenhouse gas reduction targets.

1. <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p.17
2. <https://assets.bbhub.io/company/sites/63/2022/10/GFANZ-2022-Progress-Report.pdf>, p. 36
3. <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-acs-ghg-data-supplement.pdf>, p. 4
4. <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p. 22
5. <https://business.edf.org/wp-content/blogs.dir/90/files/Climate-Principles-Asset-Transfer.pdf>, p.3

Loss and Damage Fund for Climate Harms

United Airlines Holdings, Inc.

WHEREAS United Airlines has committed to being a leader in countering the climate crisis, by joining the First Movers Coalition, through which United is a major force in creating a market for the development of sustainable aviation fuel.

WHEREAS United Airlines demonstrated this leadership in 2021 by organizing the world's first passenger flight in which one engine was powered by 100% sustainable aviation fuel.

WHEREAS, even with United Airlines' leadership, the aviation industry remains one of the world's largest carbon-emitters and United continues to contribute to the significant harms caused by climate change.

At COP 27, a group of 134 African, Asian and Latin American states and small island nations won global agreement to set up a Loss and Damage Fund to pay to repair devastated property, move threatened communities or preserve cultural heritage before it vanishes.¹ These Global South states are the most impacted and yet least responsible for the growing climate related harms.

Operationalizing the fund will begin at COP28 and this step presents an opportunity for our company to take the lead in the Aviation industry's participation in the fund and in planning for the likely impacts of regulations or fees related to such a fund on United. A recent United Nation's report details the economic challenges presented by climate change and notes.²

Since the financial needs for addressing loss and damage are likely to grow significantly in the future, exploring innovative sources of finance (such as marine shipping levies, aviation levies, taxation, debt relief, debt swaps and special drawing rights) besides grants, insurance and concessional loans will be essential to reach the necessary scale.

Timely analysis and planning for such requirements would enable United to gain the respect and reputational advantage of leading the response to increasing climate change and to prepare in advance for the potential costs and revenue implications of these developments.

RESOLVED shareholders request that United Airlines issue a report within 12 months of the AGM assessing whether there may be material impacts on the company's finances or operations from any aviation fees related to the global Loss and Damages Fund, in consideration of the Company's potential proportional share of aviation related impacts on developing nations and any company plans for participation in related mitigation and remediation efforts as well as the ongoing process for determining contributions by other parties to the Loss and Damages Fund. The report should be produced at reasonable cost and exclude proprietary or privileged information.

1. <https://www.reuters.com/sustainability/cop/tensions-soar-over-new-fund-climate-loss-damage-ahead-cop28-2023-10-23/>
2. https://wedocs.unep.org/bitstream/handle/20.500.11822/43865/AGR23_ESEN.pdf?sequence=8

Emissions Target and Carbon Offset Policy

Valero Energy Corporation

WHEREAS: As the window narrows to limit global warming to 1.5°C and avoid the most catastrophic impacts of climate change, experts and investors, including the Science Based Targets Initiative and CA100+, are clear that companies must achieve actual near-term emissions reductions, rather than relying on carbon offsets.¹ Many carbon offsetting projects do not produce additional and permanent real-world emissions reductions.² Public skepticism and increasing legal scrutiny make it imperative that companies ensure corporate reduction strategies result in actual emission reductions that align with 1.5°C.

Companies are facing public backlash from investigations into corporate offsetting projects,³ resulting in multiple lawsuits alleging that offset use is misleading.⁴ Emerging UK and US reporting requirements require companies to separately account emissions and offsetting, and more broadly, EU regulations prohibit companies from counting carbon credits toward meeting emissions reduction goals.⁵ In addition to these legal and reputational risks, reliance on offsetting can result in misallocated decarbonization expenditures and missed opportunities to align with a decarbonizing economy.

To mitigate reputational, regulatory, and legal risk, it is in Valero's best interest to adopt an emission reduction plan that does not rely on carbon offsets. Valero has a goal to "reduce and offset" its global refining emissions 100% by 2035, including plans to "displace," or offset, emissions through "blending of and credits from low-carbon fuels."⁶ Only 7% of this goal is achieved with absolute emissions reductions, while the rest of the near-term goal relies on displaced emissions, carbon credits, and carbon capture. Moreover, a large part of Valero's strategy appears to involve using avoided emissions from its value chain to "displace" operational emissions. It is unclear to investors how Valero is avoiding "double counting" in doing so, posing potential regulatory and legal issues. Such disclosure gaps hinder investors from accurately assessing Valero's exposure to climate-related financial risk. Additionally, by failing to achieve substantial emissions reductions, this goal does not align with limiting global warming to 1.5°C.

By adopting near-term reduction goals that do not rely on offsets and avoided emissions, Valero can ensure its decarbonization strategy aligns with the global 1.5°C goal, prepare for emerging regulation, and position itself to maximize long-term value in a transitioning economy.

BE IT RESOLVED: Shareholders request that Valero adopt a 1.5°C-aligned, near-term emissions reduction target that does not include the use of carbon offsets and avoided emissions.

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

- Disclose a timeline for setting near-term 1.5°C-aligned emission reduction goals;
- Consider approaches used by advisory groups such as the Science Based Targets Initiative; and
- Include an enterprise-wide climate transition plan to achieve 1.5°C-aligned emission reductions.

1. <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>, p. 10

2. <https://www.bloomberg.com/news/articles/2022-11-21/junk-carbon-offsets-allow-companies-to-claim-they-re-carbon-neutral>

3. <https://www.bbc.com/news/science-environment-60248830>

4. <https://www.clientearth.org/media/nq4jnyww/ce-offsets-legal-briefing.pdf>, p.5

5. <https://www.ft.com/content/53f84f03-1f1c-4240-977f-9de0e4893377>;

<https://www.gov.uk/government/news/uk-to-enshrine-mandatory-climate-disclosures-for-largest-companies-in-law> ;

<https://corpgov.law.harvard.edu/2023/10/22/california-enacts-major-climate-related-disclosure-laws/> ;

<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>, p.62

6. <https://investorvalero.com/esg/default.aspx>

Mitigate Water Scarcity Risks

Monster Beverage Corp

A similar resolution is under consideration for National Beverage Corp.

WHEREAS: Consumption of freshwater surpasses the rate at which it can be naturally replenished in many regions, creating water shortage risks for companies, communities, and ecosystems. Compounded by climate change, the World Resources Institute predicts the world will be unable to meet 56 percent of global water demand by 2030.¹

Companies without a plan to adapt could be exposed to risks including increased input costs, price volatility, shifting production zones, stranded assets, government targets, and loss of social license to operate. Barclays warns that the consumer staple sector, including agriculture, food, and beverage companies, faces a potential \$200 billion impact from water scarcity risks. Monster acknowledges the financial materiality of water stress, noting that weather impacts on key commodities and water availability, quality, or pricing could adversely impact its business results.²

Monster's operations and supply chain are reliant on high water risk regions. For example, the company's operations rely on water from the Colorado River Basin (CRB) which may compromise long-term profitability. The CRB is experiencing chronic and severe water shortages, States are implementing water use reduction regulations, impacting agricultural production, and federal regulators are developing new water use guidelines to take effect in 2026. In the CRB, over 80 percent of water is consumed by agriculture and industry, calling into question Monster's value chain resilience and increasing the likelihood of brand repercussions.³

CDP predicts the financial impacts of water risks are five times greater than the costs of addressing them.⁴ Although Monster conducted a water risk assessment of its operations, it has not analyzed its supply chain or disclosed a measurable strategy to mitigate water risks.

Given Monster's dependence on freshwater, water shortages pose a financial risk to the company. For investors to feel confident in the Company's water risk management, Monster should align with best practices such as those outlined by the Corporate Expectations for Valuing Water and set quantitative, timebound targets to reduce water use across its operations and supply chain, especially in water-stressed areas.⁵ Peers including PepsiCo have established such targets.⁶

RESOLVED: Shareholders request that Monster issue a report assessing the feasibility and practicality of establishing time-bound, quantitative goals to reduce operational and supply chain water usage to mitigate water risks related to global water scarcity in high-risk areas. The report should be prepared at reasonable expense and omit proprietary information.

SUPPORTING STATEMENT: In the report, proponents recommend Monster consider, at management's discretion:

- Discussing how the targets could be established to help ensure implementation mitigates supply chain water risks, including reputational risks;
- Disclosing the percentage of key agricultural products sourced from water-stressed regions, including the CRB;
- Explaining how the company works with suppliers in high-risk watersheds to implement agricultural practices that reduce water risk such as soil health practices;
- Describing how the company provides technical, educational, or financial support to agricultural suppliers to strengthen water stewardship practices and reduce risk.

1. <https://www.ft.com/content/80122ded-4158-45f9-915c-a52b5fb2d088>

2. <https://investors.monsterbevcorp.com/static-files/1fd24065-a24a-4d3e-99e2-8a495155d947>

3. <https://feedingourselvesthirsty.ceres.org/regional-analysis/colorado-river>

4. <https://www.cdp.net/en/articles/media/cost-of-water-risks-to-business-five-times-higher-than-cost-of-taking-action>

5. <https://www.ceres.org/sites/default/files/Ceres%20Corporate%20Expectations%20for%20Valuing%20Water%202022.pdf>

6. https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/2023-cdp-water-submission.pdf?sfvrsn=b43cdc79_6

Identify Water Risk Exposure

Restaurant Brands International

WHEREAS: According to the 2021 IPCC report, climate change is intensifying the water cycle, resulting in more intense droughts globally.¹ The UN 2023 Water Conference highlighted the need for water commitments and action.² Climate change related water scarcity poses material risk to our company, including lowered production capacity and disruption of supply chains.

For companies in the food sector, the majority of their water footprint comes from agricultural supply chains.³ Restaurant Brands International, Inc. ("RBI") states "...we are committed to doing our part with respect to energy, water and waste, and we expect our Vendors to do the same."⁴ RBI completed a Lifecycle Assessment (LCA) in 2020 "identifying their environmental impact across carbon, water, and waste," however the company only discloses that it is focusing on emissions, not the full LCA results.⁵ The company also underwent an ISO20400 assessment, a sustainability framework focused on global procurement. While the company reports their first phase of creating sustainable frameworks includes work on key impact areas including antibiotics use, animal welfare, climate action, and water consumption, among other areas⁶, it neglects to provide disclosure for water use in any function of its business, especially in its agriculture related ingredient production.

Because RBI does not assess supply chain water risk, the company's water related risk remains in question. To identify water risk and reduce costs, many peer companies – including Yum! Brands, McDonald's, Kellogg Company, Starbucks, and Chipotle – conduct water risk assessments for both operations and supply chains.

RBI fails to report to CDP on water scarcity, did not disclose progress on water commitments through the 2019-2022 FAIRR Global Investor Engagement on Meat Sourcing⁷, and most recently scored just 7 out of 90 points on Ceres Valuing Water Finance Initiative Benchmark.⁸

Without a full value chain water risk assessment, and disclosure of quantitative performance metrics and best practices for water management in areas of water stress, investors cannot gauge whether RBI adequately manages its water risk.

RESOLVED: Considering the growing pressure on water supplies posed by climate change, shareholders request that RBI conduct and report to shareholders, using quantitative indicators where appropriate, an assessment to identify the water risk exposure of its supply chain, and its responsive policies and practices to reduce this risk and prepare for water supply uncertainties associated with climate change.

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

- Identification of water assessment tools used by RBI or its suppliers to assess supply chain water related risk
- Results of water risk assessments across its agricultural supply chain, including identifying the regions of at-risk ingredient production and supply chains
- Any additional monitoring of supply chain water resources
- Water scarcity planning and responsive actions
- A description of how water management is integrated into governance mechanisms
- A description of water-related engagement with value chain partner

1. <https://www.ipcc.ch/report/sixth-assessment-report-working-group-i/>

2. <https://www.wri.org/insights/un-water-conference-2023-needed-outcomes>

3. <https://www.ceres.org/resources/reports/global-assessment-private-sector-impacts-water>

4. <https://www.ceres.org/resources/reports/global-investor-engagement-meat-sourcing-2022>

5. https://s26.q4cdn.com/317237604/files/doc_downloads/governance/Code-of-Business-Ethics-and-Conduct-for-Vendors.pdf

6. <https://www.rbi.com/English/sustainability/responsible-sourcing/default.aspx>

7. <https://www.rbi.com/English/sustainability/responsible-sourcing/default.aspx>

8. <https://www.fairr.org/engagements/meat-sourcing>

9. <https://www.ceres.org/water/valuing-water-finance-initiative/benchmark>

Assessing Systemic Climate Risk from Retirement Plan Options

Alphabet, Inc.

A similar resolution was submitted to Intuit Inc.

WHEREAS: Without aggressive mitigation, climate change will have significant, deleterious consequences for the global economy, with some estimates suggesting that unmitigated climate change can be expected to shave 11 to 14 percent off global economic output by 2050 unless average global temperature increase is kept to less than two degrees Celsius.¹

These effects will have a particularly significant impact on workers saving for retirement. Retirement plan beneficiaries have long investment horizons, and “[t]he longer term the investment horizon, the more likely it is that climate will not only be a material risk, but the most material risk.”² Climate portfolio risk to retirement plans will be difficult to mitigate. An International Finance Corporation report concluded that “the traditional way of managing risk through a shift in asset allocation into increased holdings of more conservative, lower risk, lower return, asset classes may do little to offset climate risks.”³

While our Company has taken actions to address its operational greenhouse gas emissions,⁴ it has not acted to meaningfully address the emissions generated by its retirement plan investments. The plan’s “default” investment option—into which participants are automatically enrolled if they do not affirmatively select another option—is the Vanguard Target Retirement fund series. The funds in this series account for 65% of plan assets.⁵ These funds invest heavily in high-carbon companies and companies contributing to deforestation.⁶

Investments in high-carbon and deforestation-risk companies help fuel the climate crisis and make worst-case economic scenarios more likely.⁷ To effectively mitigate the climate crisis and keep temperature increases within manageable ranges, the world has a limited “carbon budget.”⁸ Emissions today deplete that budget and, together with investments in new sources of emissions, “lock in” future temperature increases.⁹

High-carbon and deforestation-risk retirement plan investments contribute to systemic climate risk in beneficiaries’ portfolios, endangering workers’ life savings. These investments are especially perverse when made automatically on behalf of younger workers with long investment time horizons. The Company’s climate-unsafe retirement plan may also contribute to difficulty in worker recruitment and retention, as polling indicates employee demand for responsible retirement options.¹⁰

Federal law requires that retirement plan fiduciaries act in beneficiaries’ best interests and ensure prudence of the plan’s investments. Recent regulatory amendments have confirmed that managing material climate risk is an appropriate consideration for retirement plan fiduciaries.¹¹ The Company can best ensure that it is meeting its obligations to employees—especially younger employees—by appropriately mitigating climate risk in its retirement plan investments.

BE IT RESOLVED: Shareholders request Alphabet publish a report disclosing how the Company is protecting plan beneficiaries—especially those with a longer investment time horizon—from increased future portfolio risk created by present-day investments in high-carbon companies.

1. <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>
2. <https://www.plansponsor.com/in-depth/climate-change-benchmarking-risk-retirement-plans/>
3. <https://www.calpers.ca.gov/docs/forms-publications/mercer-asset-allocation-report.pdf>, p.2
4. <https://sustainability.google/operating-sustainably/>
5. <https://investyourvalues.org/retirement-plans/google>
6. <https://investyourvalues.org/retirement-plans/google>
7. <https://www.bloomberg.com/news/features/2022-10-20/how-to-purge-fossil-fuel-investments-from-your-401-k-or-ira#xj4y7vzkg>
8. <https://www.ipcc.ch/sr15/chapter/chapter-2/>
9. <https://www.carbonbrief.org/guest-post-what-the-tiny-remaining-1-5c-carbon-budget-means-for-climate-policy/>
10. <https://www.benefitnews.com/news/employees-want-retirement-plans-to-include-esg-investing>
11. <https://www.federalregister.gov/documents/2022/12/01/2022-25783/prudence-and-loyalty-in-selecting-plan-investments-and-exercising-shareholder-rights>

Proxy Resolutions: Climate Change

For the full list of investors who filed this resolution, see the Index on p. 244.

Link Executive Pay and GHG Targets

Cummins Inc.

WHEREAS: Decarbonizing heavy transport is critical to achieving the Paris Agreement's 1.5°C goal and mitigating the severe economic impacts of climate change.¹ Cummins is a leading manufacturer and servicer of industrial vehicle components and is ranked one of the world's largest corporate emitters.² Despite acknowledging climate-related risks in its 10-K, Cummins fails to align its incentive structures with its decarbonization commitments.³

The Climate Action 100+, a coalition of over 700 investors with \$60 trillion in assets, issued a Net-Zero Company Benchmark (Benchmark) outlining key indicators to assess corporate alignment with the Paris Agreement, reflecting the reality of increasing climate-related financial risk. Investor expectations include setting long-term and interim 1.5°C-aligned emission reduction goals across all relevant scopes and establishing executive compensation metrics linked to the achievement of such goals.⁴

While Cummins' 2023 proxy statement commends its CEO's role in advancing Cummins' decarbonization strategy, there is no evidence of a direct payout linked to climate change performance. In its 2023 CDP disclosures, Cummins states its CEO is entitled to a monetary incentive for advancing Cummins' PLANET 2050 goals, which are partially related to reducing emissions.⁵ However, Cummins fails to provide a quantitative emissions-reduction incentive that has a specified payout percentage. Furthermore, the company's most recent proxy states that Return on Average Net Assets was the sole performance measure for 2022 annual bonus payouts and does not mention PLANET2050 goals.⁶

The CA100+ Benchmark expectations are that a company's CEO remuneration arrangements specifically incorporate climate change performance and achievement of emission reduction targets in determining performance-linked compensation. References to vague terms such as sustainability performance are insufficient.⁷

Cummins's current compensation arrangements fail to provide a direct incentive for achieving emission reductions.

Tying executive compensation to 1.5°C-aligned emissions reductions will incentivize leadership to integrate climate risk management, oversee capital allocation, and address this critical issue with long-term value creation and effective risk management. Boards and executives can leverage existing standards and disclosure frameworks to incorporate best practices into compensation and transition planning.

BE IT RESOLVED: Shareholders request the Board disclose a plan, at reasonable expense and excluding confidential information, to link executive compensation to 1.5°C-aligned greenhouse gas emissions reductions across the Company's full value chain.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the plan

- Links executive compensation to emission reductions across the Company's full value chain;
- Links compensation to a: (1) standalone, (2) quantitative emissions reduction metric, (3) that is not a de minimis portion of total pay;
- Includes emission reductions in the long-term incentive plan, preferably as performance share units; and
- Involves annually reporting progress towards meeting emissions reduction compensation goals.

1. https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf , p.88
2. <https://www.climateaction100.org/company/cummins-inc/>
3. <https://www.sec.gov/ix?doc=/Archives/edgar/data/26172/000002617223000005/cmi-20221231.htm> , p.21
4. <https://www.climateaction100.org/>
5. <https://www.cummins.com/sites/default/files/2023-08/cummins-2023-cdp-climate-report.pdf> , p.6
6. https://www.sec.gov/ix?doc=/Archives/edgar/data/26172/00110465923037109/tm231795d2_def14a.htm#tEXCO ,p.35,40
7. <https://www.climateaction100.org/wp-content/uploads/2023/03/Climate-Action-100-Net-Zero-Company-Benchmark-Framework-2.0..pdf> , p.33

Corporate Governance

CCR members have long championed their right as shareholders of corporations to have a say in corporate decision-making. As investors and fiduciaries, we encourage responsible corporate governance and support policies that enhance transparency and board oversight, link executive pay to performance metrics, improve stakeholder relations, and reduce risk.

Our members filed 41 proposals related to corporate governance this year on a range of topics from executive compensation, independent board chairs, annual board election, shareholder nominees to the board, and corporate tax avoidance. A new proposal this year highlights misalignment between asset managers' stated climate commitments and their actual proxy voting policies and records.

Fair Treatment of Shareholder Nominees

Shareholders have the right to nominate their own candidates to corporate boards of directors, but frequently face excessive requirements, such as mandates that nominating shareholders be shareholders of record rather than beneficial owners; or that nominees submit to interviews with the Board. These gatekeeping practices serve to stifle shareholder voice and entrench and insulate incumbent boards.

Investors asked nine companies, including 3M, Abbott, Bristol-Myers Squibb, MasterCard and Yelp, to adopt policies disclosing how they will exercise their discretion to treat shareholders' nominees to board membership equitably and not encumber them with unnecessary administrative or evidentiary requirements.



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Give Each Share an Equal Vote	2
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Ascertain Client Voting Preferences

The world's 69 largest asset managers—and the "Big 4", BlackRock, Fidelity Investments, Vanguard and State Street in particular—are tremendously influential, managing investments equivalent to 60% of the global economy. These funds also wield an outsized influence on corporate behavior through annual voting on shareholder proposals and their support is a crucial determinant in whether or not a given shareholder proposal will achieve majority shareholder support at annual meetings. In its most recent analysis, ShareAction finds that average support among the Big 4 for environmental proposals fell precipitously between 2021 and 2023 from 39% to 14%, due in large part to growing anti-ESG pushback. Shareholder efforts to drive change on key environmental and social issues will likely face an uphill battle absent a return of large asset manager support.

ICCR members asked Bank of America, Charles Schwab, Citigroup, JPMorgan Chase, Northern Trust and T. Rowe Price to issue reports on the reputational and financial risks they face from misalignment between votes they cast on behalf of their clients and their clients' values and preferences.



Matthew Illian

Director of Responsible Investing, United Church Funds

Responsible asset owners are increasingly scrutinizing asset managers' **proxy voting records** as part of their ongoing stewardship oversight. This is part of a broad effort to address concerns that asset manager votes are declining, and could be swayed by political pressures rather than what is in the best interests of shareholders. It also addresses misalignment between an asset manager's public statements in support of climate, human rights and racial justice issues, while pulling back their support when it comes time to vote proxies.

In April of 2023, ICCR wrote to 8 asset managers highlighting concerns about their proxy voting on shareholder resolutions as well as director nominations. Over the course of the summer, we heard back from 5 of these firms and organized dialogues with them. Some ICCR members decided to take these concerns to proxy by filing shareholder resolutions at BlackRock, State Street, Goldman Sachs and J.P. Morgan Chase, challenging these asset managers on their concerning voting record and urging them to evaluate misalignments between their public commitments on climate and racial justice and their proxy voting records. These engagements will continue as we outreach to other managers.

Proxy Voting Alignment

Despite each having made public statements acknowledging the substantial risks posed by the climate crisis, the Big 4 asset managers have declining proxy voting records on climate-focused proposals.

ICCR members asked BlackRock, Goldman Sachs, JPMorgan Chase and State Street to review their proxy voting records and proxy voting policies related to climate change. The companies were encouraged to consider risks to both portfolio companies and to portfolios as a whole, while evaluating shareholder proposal impact on long-term shareholder value.

Tax Transparency Report

Some of the world's biggest and most profitable companies pay little or no taxes including AT&T, Amazon, Dow, General Motors, Ford, Chevron, ExxonMobil, Bank of America and Merck. Such corporate tax avoidance is a growing problem that is increasingly important to investors due to rising risks of global and national tax reforms. A proposed Disclosure of Tax Havens and Offshoring Act would require public country-by-country reporting of financial data by SEC-registered companies.

In order to adequately assess financial risks, investors need transparent, comprehensive and comparable corporate tax reporting data. ICCR members asked Chevron, ConocoPhillips, Exxon Mobil and Kosmos Energy to issue tax transparency reports based on the Global Reporting Initiative's Tax Standard, the first comprehensive, global standard for public reporting of tax data.

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Proxy Voting Alignment

State Street Corporation

A similar resolution was submitted to Goldman Sachs.

RESOLVED STATEMENT: Shareowners request that the Board of Directors initiate a review of both SSgA's 2023 proxy voting record and proxy voting policies related to diversity and climate change, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT: Proponents suggest the review include the following among other topics:

- Any misalignment of SSgA's policy and voting record with reducing emissions consistent with the Paris Agreement, industry initiatives of which SSgA is part and SSgA's own stated policies.
- A comparison with the voting record of other major investment firms and mutual funds.
- Recommendations for strengthening voting guidelines on climate-related issues.

State Street Global Advisors (SSgA) is a respected global leader in the financial services industry. SSgA understands the materiality of climate risk and its negative impact on companies and the economy, however the firm's voting record on climate-related proposals has dropped dramatically putting it far behind many other investment firms. According to ShareAction's 2022 ranking of the top 68 managers' voting record on 252 shareholder proposals, SSgA ranked 61st of 68 asset managers assessed, supporting only 29% of overall proposals, and only 30% of environmental resolutions. And in 2023 SSgA votes declined further on climate and racial justice resolutions, for example voting for only 25% of climate resolutions (16 out of 65 according to NPX filings of S&P 500 companies provided by Diligent).

This proxy voting record seems inconsistent with SSgA's membership in several investing initiatives:

- The Principles for Responsible Investment, a global investor network representing more than \$120 trillion in assets urges investors to vote on ESG issues and "prioritize addressing systemic sustainability issues".
- The Net Zero Asset Managers Initiative commitment to a voting policy consistent with achieving net zero emissions by 2050.
- Climate Action 100+, an investor initiative urging the world's largest greenhouse gas emitters to reduce emissions consistent with the Paris Agreement, flags votes for its members; SSgA lagged peers, voting for only 5 of 20 flagged proposals.

When voting SSgA looks primarily at near-term risk created for a specific company. Such an approach is shortsighted and fails to acknowledge a multitude of physical and transition-related risks.

In addition, proxy voting that appears to ignore the full scope of climate risks creates reputational and business risk for SSgA, especially with global clients committed to sustainability and concerned about the broader economic impact of climate change.

Similarly, we believe diversity issues are of material importance to companies and investors. For years, SSgA has been a diversity leader and champion of women on company boards and is famous for the "Fearless Girl" statue on Wall Street. But the proxy voting record on diversity and inclusion issues did not reflect SSgA's stated positions on diversity.

We further believe it is SSgA's fiduciary responsibility to consider the impacts of climate and diversity risks on both portfolio companies and portfolios as a whole and vote accordingly. Thus, we request this special review.

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Proxy Voting Alignment

J.P. Morgan Chase & Co.

WHEREAS: JPMorgan Asset Management (JPMAM) is a respected global financial services leader.

JPMAM understands the urgency and materiality of climate risk and its negative impact on companies and the economy. Jamie Dimon's 2023 letter to shareholders says "The window for action to avert the costliest impacts of global climate change is closing. ... (We) — companies and investors — need to become more active and involved in proxy issues each year to foster better communication between the investors and the board of the companies they own".¹

However, JPMAM's voting record on climate-related proposals has dropped dramatically putting us far behind other investment firms. According to ShareAction's 2022 ranking of the top 68 managers voting record on 252 shareholder proposals, JPMAM ranked 57th of 68 asset managers assessed.

In 2023 JPMAM votes declined further on climate and racial justice resolutions, for example voting for only 15 climate resolutions out of 65 (from NPX filings of S&P 500 companies provided by Diligent).

This proxy voting record seems inconsistent with JPMAM's membership in several investing initiatives:

The Principles for Responsible Investment (PRI), a global investor network representing over \$120 trillion in assets, urges investors to vote on ESG issues prioritizing "addressing systemic sustainability issues". The Net Zero Asset Managers Initiative supports voting policies consistent with net zero emissions by 2050. When voting, JPMAM looks primarily at near-term risk for a specific company, not risk to the whole portfolio which we believe is shortsighted.

The PRI and the Chartered Financial Analyst Institute recently announced a new definition of stewardship:

"The use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social, and environmental assets on which their interests depend..."

Investor influence does not constitute stewardship unless it is used to protect and enhance overall long-term value for clients and beneficiaries. Using influence to promote short-term performance or the performance of individual companies, industries, or markets, without regard to overall value, does not constitute stewardship.²

Similarly, diversity issues are of material importance to companies and investors. For years JPMAM worked to be a diversity leader, yet its proxy voting on diversity issues are misaligned with its stated positions.

We further believe fiduciary responsibility requires evaluating the impacts of climate and diversity risks on both portfolio companies and total portfolios. Thus, we request this special review.

RESOLVED: Shareowners request the Board of Directors initiate a review of both JPMAM's 2023 proxy voting record and proxy voting policies related to diversity and climate change and report results to shareholders, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT: Proponents suggest the review include the following:

- Any misalignment of JPMAM's policy and voting record with the goals of the Paris Agreement, industry initiatives of which JPMAM or the bank is part and JPMAM's own stated policies.
- A comparison with the voting records of other major investment firms and mutual funds.
- Recommendations for strengthening voting guidelines on diversity and climate-related issues.

1. <https://reports.jpmorganchase.com/investor-relations/2022/ar-ceo-letters.htm>

2. <https://www.unpri.org/investment-tools/definitions-for-responsible-investment-approaches/11874.article>

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Proxy Voting Alignment

BlackRock, Inc.

BlackRock is a respected global financial services leader providing multiple investment options for clients addressing environmental, social and governance (ESG) topics.

Research by BlackRock noted long-term inaction on climate change could reduce global economic output by nearly 25 percent over the next two decades, making addressing climate change an urgent and material issue for investors. CEO Larry Fink reiterated in his 2023 letter to investors that the firm “views climate risk as an investment risk.”

However, despite the clearly articulated recognition of the materiality of climate risk, neither BlackRock’s proxy voting guidelines, nor its voting record reflects this view. According to ShareAction, in 2022 BlackRock ranked 62nd of 68 asset managers, supporting only 28% of environmental resolutions. In 2023, this support continued to decline sharply: BlackRock supported only 7% of the environmental and social shareholder proposals on proxy statements (BlackRock annual stewardship report). Of the 65 climate resolutions on proxies, BlackRock supported only 6 (NPX filings of S&P500 companies as provided by Diligent).

This proxy voting record seems inconsistent with BlackRock’s membership in several investing initiatives:

The Principles for Responsible Investment, a global investor network representing more than \$120 trillion in assets urges investors to vote on ESG issues and “prioritize addressing systemic sustainability issues”. The Net Zero Asset Managers Initiative commitment to a voting policy consistent with achieving net zero emissions by 2050. Climate Action 100+, an investor initiative urging the world’s largest greenhouse gas emitters to reduce emissions consistent with the Paris Agreement, flags votes for its members; BlackRock significantly lagged peers, voting for only 2 of 20 flagged proposals. While BlackRock clearly states climate change creates material risk for companies, when voting it looks primarily at risk created for a specific company in the near-term. Such an approach is shortsighted and fails to acknowledge a multitude of physical and transition-related risks.

In addition, proxy voting that appears to ignore the full scope of climate risks creates reputational and business risk for BlackRock, especially with global clients committed to ESG and concerned about the broader economic impact of climate change.

We further believe it is BlackRock’s fiduciary responsibility to consider the impacts of climate risks on both portfolio companies and portfolios as a whole, evaluate how specific shareholder resolutions may impact long term shareholder value, and vote accordingly. In light of this, we request the Board authorize this special review.

RESOLVED: Shareowners request that the Board of Directors initiate a review of both BlackRock’s 2023 proxy voting record and proxy voting policies related to climate change, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT: Proponents suggest the review include the following among other topics:

- Any misalignment between BlackRock’s policy and voting record with the goals of the Paris Agreement, industry initiatives of which BlackRock is part and BlackRock’s own stated policies.
- A comparison with the voting record of other major investment firms and mutual funds.
- Recommendations for strengthening voting guidelines on climate-related issues.

Ascertain Client Voting Preferences

Bank of America Corp.

A similar resolution was submitted to Citigroup.

RESOLVED: Bank of America (BAC) shareholders request our Company prepare a report on the feasibility of offering customized proxy voting preferences for BAC clients that seek to maximize portfolio-wide returns by pursuing voting strategies designed to push certain companies to address social and environmental externalities.¹ The report shall be available to stockholders and investors by October 1, 2024, prepared at reasonable cost, consistent with fiduciary duties and other legal obligations, and omitting proprietary information.

SUPPORTING STATEMENT: BAC and its subsidiaries manage approximately \$3.6 trillion in assets. As a fiduciary, BAC owes clients and investors duties of care and loyalty in exercising shareholder voting rights.²

Controversy over proxy voting—especially environmental, social, and governance (“ESG”) proposals, increases risk.³ Companies like BAC may be criticized from all sides.⁴

Diversified investors are interested in ensuring companies in portfolios managed by BAC do not threaten the rest of their portfolios⁵ when individual companies prioritize their financial returns over systems critical to diversified portfolios.⁶ Practically, this can mean maximizing profits by externalizing social and environmental risks to the detriment of other companies.

Reliance on proxy advisors does little to mitigate this problem or shield Bank of America from controversy.⁷ Such advisors generally provide advice that maximizes the value of individual companies, not the value of diversified portfolios invested in such companies.⁸

BAC offers extensive customization of portfolios based on risk tolerance, financial goals, cash flow needs, tax situation, social and environmental values. But BAC fails to offer granular control over customized proxy voting, a core advisor responsibility subject to fiduciary duty standards.⁹

Soliciting the diverse views of clients on issues raised in shareholder elections and incorporating them into voting/engagement practices, or facilitating the client’s ability to do so themselves, can mitigate risk. Criticism of BlackRock, Vanguard, and State Street¹⁰ led to programs providing investors with voting choices.

However, these programs present limited choices due to overreliance on traditional proxy advisors. New technologies facilitate soliciting investor preferences efficiently to inform voting and engagement.¹¹ Therefore, the report should not be limited to preset voting profiles but should include approaches and technologies that provide clients with granular control over voting, like the configurable options offered by BAC for constructing portfolios.

Investors want a voice. According to one study from Stanford Graduate School of Business, 83% of investors, irrespective of age, life stage, or ideological bent, want managers to consider their preferences when voting on environmental issues.¹²

Investment companies that fail to engage clients more fully in proxy voting will be subject to ever-increasing legal and reputational jeopardy.

Vote For Proposal: Ascertain Client Voting Preferences

1. <https://www.routledge.com/Moving-Beyond-Modern-Portfolio-Theory-Investing-That-Matters/Lukomnik-Hawley/p/book/9780367760823>, chapt 5.
2. See 14. CFR 275.206(4)-6
3. <https://ssrn.com/abstract=4360428>
4. <https://ssrn.com/abstract=4299462>
5. <https://theshareholdercommons.com/wp-content/uploads/2022/09/Climate-Change-Case-Study-FINAL.pdf>
6. <https://ssrn.com/abstract=4056602>
7. See, e.g., <https://www.texasattorneygeneral.gov/sites/default/files/images/press/Utah%20%26%20Texas%20Letter%20to%20Glass%20Lewis%20%26%20ISS%20FINAL.pdf>, https://www.wsj.com/articles/blackrocks-false-voting-choice-proxy-esg-ballots-iss-glass-lewis-66652357?mod=opinion_lead_pos1
8. <https://theshareholdercommons.com/wp-content/uploads/2023/09/The-Shareholder-Commons-response-to-ISS-Policy-Survey-2023.pdf>
9. <https://www.privatebank.bankofamerica.com/solutions/investment-management.html>
10. <https://ssrn.com/abstract=4580206>
11. <https://ssrn.com/abstract=4360428>
12. <https://www.gsb.stanford.edu/sites/default/files/publication/pdfs/survey-investors-retirement-savings-esg.pdf>

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Ascertain Client Voting Preferences

J.P. Morgan Chase & Co.

Similar resolutions were submitted to Charles Schwab Corp., Northern Trust Corp. and T. Rowe Price.

RESOLVED: J.P. Morgan Chase (“JPM,” or “Company”) shareholders request our Company prepare a report on the reputational and financial risks to the Company of misalignment between proxy votes it casts on behalf of clients and its client’s values and preferences, as well as strategies for addressing such misalignments on important issues. The requested report shall be available to stockholders and investors by October 1, 2024, prepared at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Controversy over proxy voting—especially over environmental, social, and governance (“ESG”) proposals—is regularly reported on, debated, and enshrined in state law.¹

Much debate centers on financial intermediaries, such as JPM, and their role in casting votes on behalf of clients and beneficial owners. Every vote opens JPM to controversy, either for failing to adhere to ESG principles or being too “woke.”

JPM’s conflicts of interest open it to additional controversy. For example, JPM funds are included in retirement plans sponsored by other public companies. To maintain inclusion in those plans, it is incentivized to vote proxies for those companies in favor of management, irrespective of the interests of fund investors. JPM’s publicly filed fund voting records readily confirm a strong pro-management bias.²

The divergence between the interests of asset managers like JPM and their investors and clients is an issue that has been taken up at the highest levels of government. A proposed bill would require asset managers like JPM to pass votes through to investors under certain conditions.³ President Biden’s first veto was about consideration of ESG factors in retirement plans.⁴

The landscape has clearly shifted: JPM can no longer execute votes in clients’ best interests (and avoid controversy⁵) without first soliciting their preferences⁶ on social, environmental, and governance topics.

Votes are now filed in machine-readable format, which makes it easier for clients to identify votes misaligned with their preferences.⁷ Reliance on traditional proxy advisors will only invite further scrutiny, as their conflicts of interests are scrutinized.⁸

JPM offers portfolio customization based on the “values, investment and tax needs” of clients,⁹ but not for proxy voting, a core advisor responsibility subject to fiduciary duties.¹⁰ In its commingled funds, JPM does not currently offer investors any voting choices.

Criticism of BlackRock, Vanguard, and State Street¹¹ led to providing voting choices. However, these choices are denounced as limited and false choices due to overreliance on traditional proxy advisors.¹² New technologies can address the challenge of tailoring proxy voting on important issues such as climate change, diversity, executive pay, and political expenditures to the unique preferences and values of each investor.¹³

Investors want a voice. Approximately 83% of investors, irrespective of age, life stage, or ideological bent, want managers to consider their preferences when voting on environmental issues.¹⁴

Vote to Ascertain Beneficial Owner Voting Preferences – Proposal [4*]

1. <https://corpgov.law.harvard.edu/2023/03/11/esg-battlegrounds-how-the-states-are-shaping-the-regulatory-landscape-in-the-u-s/>
2. https://www.sec.gov/Archives/edgar/data/763852/000143893423000396/BRDG4F_0000763852_2023.txt
3. <https://www.sullivan.senate.gov/newsroom/press-releases/sullivan-introduces-index-act-to-empower-investors-and-neutralize-wall-streets-biggest-investment-firms>
4. <https://www.nbcnews.com/politics/white-house/biden-issues-first-veto-congress-blocks-new-investment-rule-rcna72997>
5. [https://www.npr.org/2023/03/22/1165127291/climate-change-activists-target-big-banks-divest-from-fossil-fuels/](https://www.npr.org/2023/03/22/1165127291/climate-change-activists-target-big-banks-divest-from-fossil-fuels;)
<https://fortune.com/2023/01/03/kentucky-divest-financial-institutions-jpmorgan-chase-citigroup-blackrock-fossil-fuel/>
6. <https://ssrn.com/abstract=4360428>
7. <https://www.sec.gov/news/press-release/2022-198>
8. <https://www.texasattorneygeneral.gov/sites/default/files/images/press/Utah%20%26%20Texas%20Letter%20to%20Glass%20Lewis%20%26%20ISS%20FINAL.pdf>
https://www.wsj.com/articles/blackrocks-false-voting-choice-proxy-esg-ballots-iss-glass-lewis-66652357?mod=opinion_lead_pos1
<https://www.wsj.com/articles/proxy-advisers-errors-accf-study-glass-lewis-iss-sec-gary-gensler-431939c5>
9. <https://am.jpmorgan.com/us/en/asset-management/adv/investment-strategies/separately-managed-accounts/>
10. See 14 CFR 275.206(4)-6 and accompanying staff bulletins.
11. <https://ssrn.com/abstract=4580206>
12. <https://www.wsj.com/articles/blackrocks-false-voting-choice-proxy-esg-ballots-iss-glass-lewis-66652357>
13. <https://ssrn.com/abstract=4360428>
14. <https://www.gsb.stanford.edu/sites/default/files/publication/pdfs/survey-investors-retirement-savings-esg.pdf>

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Independent Board Chair

Meta (Facebook Inc.)

RESOLVED THAT Section V of Meta Platforms, Inc. (“Meta”) Corporate Governance Guidelines (Amended as of April 3, 2022) be amended to add, after the sentence “The Chairperson shall schedule and chair the meetings of the Board, and shall coordinate with the Lead Independent Director to set the agenda for such meetings”, the following sentence: “Both the Chairperson and the Lead Independent Director shall have the ability to include items on the agenda independent of the other.”

SUPPORTING STATEMENT: Meta’s CEO Mark Zuckerberg has been Board Chair since 2012. Although a majority of independent shareholders have voted three times on proposals to separate these two roles, the proposals have not achieved an overall majority vote due to Mr. Zuckerberg’s dual-class shareholdings which give him approximately 58% of Facebook’s voting shares while holding only 14% of the economic interest.

Instead of an independent Board Chair, Meta has appointed a Lead Independent Director (LID) with a range of duties which are meant to assist the board in exercising oversight of management, even with the CEO in place as Chair.

Currently, the LID collaborates with the Chair to set agendas for board meetings. While this allows the board to set a mutually-agreed agenda for most meetings, it also means that, in the event the board wishes to discuss a matter the CEO does not wish to discuss, the CEO may be able to prevent that item from being considered.

Our proposal does not interfere with the current collaborative approach to setting the board’s agenda, nor does it prevent the CEO/Chair from putting items on the agenda.

It will, however, allow the board of directors to also consider any matter deemed necessary by the Lead Independent Director and thereby to exercise better independent oversight of management.

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Independent Board Chair

Chevron Corp.

Chevron Corporation (“Chevron” or “Company”) would benefit from a Board Chair who is independent from the CEO.

An independent Chair would reduce both risk and cost to stockholders by improving oversight, enhancing accountability, and ensuring appropriate levels of attention are paid to averting significant liabilities.

Chevron faces a range of negative situations; including, it:

1. Is liable for \$55 billion in judgments and seizure claims globally (including interest).¹
2. Has been charged with violating the Foreign Corrupt Practices Act in eight countries.¹
3. Has been charged with refusing to comply with cleanup mandates in fifteen countries, including the United States.¹ The largest of these is the \$9.5 billion judgment against Chevron by the Ecuadorian Supreme Court for devastating oil pollution there.
4. Has been charged in a new 2023 case filed at the Inter-American Commission on Human Rights.
5. Has been charged with destroying critical biodiversity around the globe.¹

These situations harm Chevron and its stockholders, whether-or-not any particular case results in an adverse judgement. This is because:

- a. Reputational harm accumulates and cannot be erased—which damages Chevron’s ability to attract and retain key talent.
- b. Countries could balk at forming strategic alliances with Chevron, resulting in lost contracts—which nearly happened recently involving the State of Israel.
- c. Future cleanup judgements could be rendered. This happened in Ecuador—which has resulted in billions of dollars spent over decades of litigation, but still without settlement. Regarding this case, Chevron’s principal witness, Alberto Guerra, recanted his testimony and admitted that (a) Chevron paid him nearly \$500,000 and (b) Chevron’s law firm—Gibson Dunn & Crutcher—coached him extensively before he delivered false testimony.
- d. This is in addition to the \$55 billion in pending legal claims. No sober appraisal would conclude that every one of these claims can be avoided.

By some assessments, this record evidences a shortfall in oversight—which can happen when the checks-and-balances of independent thinking and diverse leadership is missing.

THEREFORE, BE IT RESOLVED: Chevron stockholders ask the Board to adopt a policy—commencing with the next CEO transition—which mandates that the Board Chair be an independent member of the Board of Directors whenever possible (amending the bylaws as necessary). If the Board determines that a Chair has lost their independence, within a reasonable period it shall select a new Chair who fulfills the mandate of independence.

1. An authoritative report—Chevron’s Global Destruction—is an expansive compendium of documented legal actions filed against Chevron and its subsidiaries globally. This report was the focus of a U.S. House Oversight Committee hearing entitled Fueling the Climate Crisis: Exposing Big Oil’s Disinformation Campaign to Prevent Climate Action. 71% of the cases detailed in this report indicate grave violations of rights to land, life, and safety; and of these, 65% allege severe human rights abuses. <https://docs.house.gov/meetings/G0/G000/20211028/114185/HHRG-117-G000-20211028-SD018.pdf>

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Annual Board Election

Upwork Inc.

Similar resolutions were submitted to nCino Inc., Snowflake Inc. and Tesla Inc.

RESOLVED: James McRitchie of CorpGov.net and other Upwork Inc. (“Company”) shareholders ask that our Company take all the steps necessary to reorganize the Board of Directors into one class, with each director subject to election each year for a one-year term.

SUPPORTING STATEMENT: Arthur Levitt, former Chairman of the Securities and Exchange Commission, said, “In my view, it’s best for the investor if the entire board is elected once a year. Without the annual election of each director, shareholders have far less control over who represents them.”

Since directors in a declassified board are elected and evaluated each year, declassification promotes responsiveness to shareholder demands and pressures directors to perform to retain their seats. Declassified boards are more likely to be diverse and increase accountability and responsiveness to shareholders.

More than 90% of S&P 500 companies elect each director annually. Annual elections are widely viewed as a corporate governance best practice to make directors more accountable, contributing to improved performance and increased company value.

Shareholder resolutions by James McRitchie on this topic won 11 of 11 votes at companies since 2018, according to data compiled by Diligent, with an average vote of more than 77%. Proxy advisory firms ISS and Glass Lewis both supported all such proposals. According to one of our largest shareholders, BlackRock: “Directors should be re-elected annually; classification of the board generally limits shareholders’ rights to regularly evaluate a board’s performance and select directors.” Vanguard generally votes for proposals to declassify an existing board and votes against management or shareholder proposals to create a classified board.

According to Equilar, “A classified board creates concern among shareholders because poorly performing directors may benefit from an electoral reprieve. Moreover, a fraternal atmosphere may form from a staggered board that favors the interests of management above those of shareholders. Since directors in a declassified board are elected and evaluated each year, declassification promotes responsiveness to shareholder demands and pressures directors to perform to retain their seat.”

This proposal should also be evaluated in the context of our Company’s overall corporate governance as of this submission: Shareholders cannot call special meetings, act by written consent, or modify various bylaws without at least 66 and 2/3% of the voting power of outstanding stock.

Our Company’s technology is second to none. Our Company’s corporate governance should meet the same high standards.

Increase Long-Term Shareholder Value

Vote FOR Elect Each Director Annually – Proposal [4*]

Annual Board Election

Agilent Technologies

RESOLVED Agilent Technologies, Inc. ("Company") shareholders, including Myra Young of CorpGov.net, ask that our Company take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year for a one-year term so that all directors are elected annually.

Although our management can adopt this proposal topic in one-year and one-year implementation is a best practice, this proposal allows the option to be phased in.

SUPPORTING STATEMENT: More than 90% of S&P 500 companies have adopted this vital reform. Annual elections are widely viewed as a best practice. Annual election of each director makes directors more accountable, improving performance and increasing company value.

Classified are one of six entrenching mechanisms negatively related to company performance according to "What Matters in Corporate Governance?" by Bebchuk, Cohen, and Ferrell.¹

Diligent's database includes the voting record of 276 shareholder resolutions on this topic during 2020, 2021, 2022, and part of 2023. Votes in favor averaged 98.8%. The largest two proxy advisors recommended in favor of 100% of the proposals.

The annual election of each director gives shareholders more leverage if management performs poorly. For instance, if management approves excessive or poorly incentivized executive pay, shareholders can soon vote against the Chair of the management pay committee instead of waiting for three years under the current setup.

Consider our Company also requires a supermajority vote of 80% of shares outstanding to overturn specified bylaws.

Enhance Shareholder Value, Vote FOR Declassify the Board – Proposal [4*]

This line and any line below it, except for footnotes, is not for publication.

Number 4* to be assigned by the Company.

1. http://www.law.harvard.edu/programs/olin_center/papers/pdf/Bebchuk_et%20al_491.pdf

Fair Treatment of Shareholder Nominees

MasterCard Incorporated

Similar resolutions were submitted to 3M Company, Abbott Laboratories, Bristol-Myers Squibb Co., Ecolab Inc., Edwards Lifesciences, Veracyte, Inc, West Pharmaceutical Services, Inc. and Yelp Inc.

RESOLVED: Shareholders request the Board of Directors of Mastercard Incorporated (Company) adopt and disclose a policy stating how it will exercise its discretion to treat shareholders' nominees for board membership equitably and avoid encumbering such nominations with unnecessary administrative or evidentiary requirements.

SUPPORTING STATEMENT: In the view of the proponent, the Board should consider exercising its discretion under the proposed policy toward ensuring that paperwork requirements governing the nomination and election of directors should generally treat shareholder and Board nominees equitably; requirements regarding endorsements and solicitations should not unnecessarily encumber the nomination process.

Consideration should also be given under the policy to repealing any advance notice bylaw provisions imposing additional requirements inconsistent with this proposal, unless legally required, such as those requiring:

- Nominating shareholders be shareholders of record, rather than beneficial owners;
- Nominees submit questionnaires regarding background and qualifications (other than as required in the Company's certificate of incorporation or bylaws);
- Nominees submit to interviews with the Board or any committee thereof;
- Shareholders or nominees provide information that is already required to be publicly disclosed under applicable law or regulation; and
- Excessive or inappropriate levels of disclosure regarding nominees' eligibility to serve on the Board, the nominees' background, or experience.

The legitimacy of Board power to oversee the executives of our Company rests on the power of shareholders to elect directors:¹ [T]he unadorned right to cast a ballot in a contest for [corporate] office . . . is meaningless without the right to participate in selecting the contestants... To allow for voting while maintaining a closed candidate selection process thus renders the former an empty exercise.²

Burdening shareholder nominees can entrench incumbent directors and management. Laws and regulations overseen and enforced by the U.S. Securities and Exchange Commission, a neutral third party, ensure shareholders have pertinent information on nominating shareholders and nominees before executing proxies.³

Advance notice bylaws can create hurdles for shareholders exercising their rights and can be used to conduct "fishing expeditions" to which board nominees are not subject.

These practices delegitimize corporate activity because directors work on behalf of shareholders, who should be able to replace their own fiduciaries. Company interference in this process is especially dangerous because financial theory recommends that most shareholders diversify their portfolios.

Such diversified investors have an interest in ensuring our Company does not profit from practices that threaten social and environmental systems upon which diversified portfolios depend.⁴ Company directors influenced by executives, in contrast, may prioritize Company profitability over systems that are of critical importance to shareholders.⁵

Accordingly, giving Company directors a gatekeeper role through a burdensome unequal nomination process threatens the interests of shareholders to nominate candidates free of management influence.

Fair Treatment of Shareholder Nominees - Vote FOR Proposal [4*]

1. <https://ssrn.com/abstract=4565395>
2. <https://casetext.com/case/durkin-v-national-bank-of-olyphant>
3. <https://www.ecfr.gov/current/title-17/chapter-ll/part-240/subpart-A/subject-group-ECFR8c9733e13b955d6/section-240.14a-101>.
4. <https://theshareholdercommons.com/wp-content/uploads/2022/09/Climate-Change-Case-Study-FINAL.pdf>
5. <https://ssrn.com/abstract=4056602>

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Executive Compensation

Bank of Montreal

Similar resolutions were submitted to Canadian Imperial Bank of Commerce (CIBC), Royal Bank of Canada and Toronto-Dominion Bank.

BE IT RESOLVED: The Board of Directors undertake a review of executive compensation levels in relation to the entire workforce and, at reasonable cost and omitting proprietary information, publicly disclose the CEO-compensation-to-median-employee-pay-ratio on an annual basis.

SUPPORTING STATEMENT: Job action by United Auto Workers and Hollywood talent illustrates the employee unrest impacting many industries and underscores the discrepancy between corporate profits and increased executive pay compared to workers' trailing wages. Exacerbating this unrest is stagnant wage growth combined with rising inflation, particularly impacting necessities like housing, energy, and food.¹

Sluggish wage growth trailing inflation for average employees is in stark contrast to executive compensation, where realized wages have continued to exceed inflation and diverge from the rest of the workforce. This data is widely available, and this growing gap is undisputed.

While companies with lower levels of unionization are less exposed to direct labour action, they are still exposed to similar financial impacts. This is often felt through increased employee turnover, absenteeism, and lowered employee morale. For instance, research has shown that a burnt-out employee can incur a cost equivalent to over 30% of their salary and that replacing an existing employee can cost up to 400% of their annual salary.²

To effectively implement strategies that increase company value, senior executives need engaged employees to execute their vision. Many studies show that social comparison is a powerful factor in human interaction and employee satisfaction is heavily dependent on perceived fairness in compensation.³

The perception that only executives benefit from company growth and that the average worker is not fairly compensated for their individual contribution is demotivating for employees. The CEO- compensation-to-median-employee-pay-ratio is a useful mechanism to evaluate and assess wage distributions within a company. When pay differentials are closely monitored and managed, employees are more likely to be highly engaged and productive.

Say-on-pay vote results have very little to do with a company's management of pay differentials. Shareholders are lacking information on how exposed BMO is to human capital risks associated with skewed compensation distributions. Vancity has filed this proposal with several of BMO's peers last year and received over 10% support. MEDAC has previously filed a similar proposal with BMO, indicating there is demand for this information.

As a financial institution, BMO is heavily dependent on human capital to drive growth and in turn, shareholder value. The CEO-compensation-to-median-employee-pay-ratio provides a simple cost- effective way for BMO to communicate how the company manages pay differentials. Scotiabank provides this ratio and the Global Reporting Initiative, which BMO already utilizes, offers a well-recognized method to calculate this through indicator 2-21.

The aim of this disclosure is not to limit executive compensation but to ensure that shareholders have the appropriate information to evaluate BMO's management of human capital risks. Disclosing and tracking the ratio will allow BMO to better manage employee engagement and morale, talent recruitment and retention and mitigate the increasing financial and reputational risk associated with growing pay differentials.

1. <https://www.forbes.com/sites/annefield/2022/05/23/ceo-worker-pay-gap-widens-and-employees-arent-happy-about-it/?sh=3ac80050142c>

2. <https://www.joinpavilion.com/blog/the-real-cost-of-burnout>; <https://www.simplybenefits.ca/blog/employee-retention-what-is-the-true-cost-of-losing-an-employee>

3. <https://www.psychologytoday.com/ca/blog/work-smarter-not-harder/202303/the-executive-worker-pay-gap-isnt-without-consequences>

Give Each Share an Equal Vote

Alphabet, Inc.

RESOLVED: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

SUPPORTING STATEMENT: In our company's multi-class voting structure, Class B stock has 10 times the voting rights of Class A. As a result, Mr. Page and Mr. Brin currently control over 51% of our company's total voting power while owning less than 12% of stock – and will continue to retain voting control even though they have stepped down from leading the company.

Due to this voting structure, our company takes public shareholder money but refuses shareholders an equal voice in the company's management. For example, it was primarily the weight of the insiders' 10 votes per share that permitted the creation of a non-voting class of stock (class C) even though most shareholders voted to oppose the move.

In another example, shareholders note that directly-employed Google workers are partially compensated in Class C stock. Google's compensation philosophy states that "Googlers should share the success of the company," but without voting rights, these employee-shareholders cannot exercise oversight of executives and find themselves subject to repeated layoffs, outsourcing, and interference with their freedom of association. Moreover, Google hires tens of thousands of contracted workers who have even less say over their indirect employer's actions. This lack of worker voice can only depress employee performance and innovation.

A variety of corporate governance experts illustrate a growing concern about multi-class share structures:

- The Council for Institutional Investors (CII) recommends a seven-year phase-out of dual class share offerings. The International Corporate Governance Network supports CII's recommendation "to require to a time-based sunset clause for dual class shares to revert to a traditional one-share/one-vote structure no more than seven years after a company's IPO date."
- The International Corporate Governance Network supports CII's recommendation "to require to a time-based sunset clause for dual class shares to revert to a traditional one-share/one-vote structure no more than seven years after a company's IPO date."
- The Investor Stewardship Group recommends that "shareholders should be entitled to voting rights in proportion to their economic interest" and "boards should have a strong, independent leadership structure."
- As of October 1, 2023, Institutional Shareholder Services (ISS), which rates companies on governance risk, gave our company a 10, its highest risk category, for the Governance QualityScore.

Shareholders are encouraged to vote FOR this good governance request to allow better shareholder oversight.

Give Each Share an Equal Vote

Meta (Facebook Inc.)

RESOLVED: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

SUPPORTING STATEMENT: Since its creation, Meta Platforms ("Meta"), formerly Facebook, has faced numerous headline-grabbing scandals, including controversies that have resulted in the loss of users, decline in user confidence, and stock price drops that wiped off "more than \$119bn ... [from] Facebook's market value"¹ in one day. Shareholders believe that proper governance reforms are needed to help the company avoid future scandals.

These controversies and allegations include criticism for its "lax position on political lies," its role in Russia's misinformation campaign during the 2016 U.S. election, data breaches, failing to prevent its platforms from being used to incite violence, and more.

In 2021, whistleblower Frances Haugen testified before the Senate to allege that Meta has consistently chosen to "maximize its growth rather than implement safeguards on its platforms..."² Haugen also noted that CEO Mark Zuckerberg, who currently controls the majority of the shareholder vote while owning only 13% of economic value of the firm, dictates the course of the company. Haugen noted that "there is no one currently holding Zuckerberg accountable but himself."³ Last year, Mr. Zuckerberg faced a lawsuit alleging that he was "closely involved in envisioning and carrying out the framework on Facebook that ultimately allowed Cambridge Analytica to collect user data without consent..."⁴ Most recently, a coalition of 41 states and the District of Columbia filed lawsuits alleging that Meta "has intentionally built its products with addictive features that harm young users of its Facebook and Instagram services."⁵

Meta's ventures into the metaverse generate myriad new risks for the company regarding data privacy, user harassment and abuse, cybersecurity threats, exploited user data, and more. Given the company's history of issues with protecting user privacy, strong company governance is critical as Meta moves forward into the new virtual world.

Without equal voting rights, shareholders cannot hold management accountable.

Governance experts support the recapitalization sought by this proposal: the Council for Institutional Investors (CII) recommends a seven-year phase-out of dual class share offerings and the International Corporate Governance Network supports CII's recommendation. Outsider shareholders have repeatedly widely supported this proposal, and ongoing scandals demonstrate the critical need for this governance reform.

We urge shareholders to vote FOR a recapitalization plan for all outstanding stock to have one vote per share.

1. <https://www.theguardian.com/technology/2018/jul/26/facebook-market-cap-falls-109bn-dollars-after-growth-shock>
2. <https://www.npr.org/2021/10/05/1043377310/facebook-whistleblower-frances-haugen-congress>
3. <https://www.nytimes.com/2021/10/05/technology/facebook-frances-haugen-testimony.html>
4. <https://www.cnbc.com/2022/05/23/meta-ceo-zuckerberg-sued-over-cambridge-analytica-privacy-scandal.html>
5. <https://www.wsj.com/tech/states-sue-meta-alleging-harm-to-young-people-on-instagram-facebook-f9ff 4641>

Tax Transparency Report

Exxon Mobil Corporation

Similar resolutions were submitted to Chevron Corp., ConocoPhillips and Kosmos Energy.

RESOLVED: Shareholders request that the Board of Directors issue a tax transparency report to shareholders, at reasonable expense and excluding confidential information, prepared in consideration of the indicators and guidelines set forth in the Global Reporting Initiative's (GRI) Tax Standard.

SUPPORTING STATEMENT: Tax transparency is increasingly important to investors. The PRI, representing investors with \$89 trillion assets under management, states that, "For investors, tax risk is financially material at the individual asset level. With tightening regulations and shifting societal expectations, tax avoidance activities of multinational enterprises have attracted large fines and highlighted growing reputational, governance, and earnings risks."¹ Economic challenges have increased government concern about corporate tax avoidance, and 96% of US companies expect more tax disputes as governments become more rigorous in tax examinations.²

In 2021, 136 countries signed a global tax reform framework.³ The proposed Disclosure of Tax Havens and Offshoring Act, passed by the House of Representatives, would require public country-by-country reporting (CbCR) of financial (including tax) data by SEC-registered companies.⁴ Further, in November 2021, the European Union approved a directive to implement public CbCR for large multinationals operating there.⁵ In April 2023, the Australian government released draft legislation that would, if legislated, require CbCR for any large multinational doing business in Australia.⁶

ExxonMobil does not disclose revenues or profits in non-US markets, nor foreign tax payments, with adequately disaggregated data. This challenges investors' ability to evaluate the risks of taxation reforms, or whether ExxonMobil engages in responsible tax practices that ensure long term value creation. Tax authorities across the globe have repeatedly challenged ExxonMobil's taxation approach, producing significant costs for the company.⁷ For example, ExxonMobil was recently issued a \$215 million fine by Russian authorities for their Sakhalin 1 oil and gas project for alleged non-payment of back taxes.⁸

The GRI Standards are the world's most utilized corporate reporting standard.⁹ The GRI Tax Standard - GRI 207 - is the first comprehensive, global standard for public tax disclosure. It includes four components. GRI 207-1, 207-2, and 207-3 require companies to disclose their approach to tax; their tax governance, control, and risk management; and their stakeholder engagement and management of concerns related to tax, respectively. 207-4 requires public CbCR of certain company financial information, including revenues, profits and losses, and tax payments within each jurisdiction.¹⁰ GRI 207 also recommends disclosing "industry-related and other taxes or payments to governments." Given the significance of other project-specific payments to governments in the oil and gas sector, GRI identifies disclosures of all significant project-level payments to governments as relevant for that sector in reporting under the Tax Standard.¹¹

A GRI-aligned tax transparency report would bring ExxonMobil in line with peer companies – including many in the oil, gas, and mining industries¹² – that report using GRI 207.¹³ ExxonMobil already reports CbCR information to OECD tax authorities privately, so any increased burden is negligible.

1. <https://www.unpri.org/download?ac=15325#:-:text=Some%20investors%20believe%20that%20tax,good%20risk%20management%20and%20governance.&text=Prudent%20tax%20planning%20as%20the%20basis%20for%20tax%20management>
2. <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/gx-beps-global-survey-summary-results-2022.pdf>
3. <https://www.oecd.org/tax/international-community-strikes-a-ground-breaking-tax-deal-for-the-digital-age.htm>
4. <https://www.congress.gov/bill/117th-congress/house-bill/3007>
5. <https://www.internationaltaxreview.com/article/b1vf7yc65qpzcd/this-week-in-tax-eu-on-track-for-public-cbcr-by-2023>
6. <https://treasury.gov/consultation/c2023-383896>
7. <https://www.theguardian.com/business/2018/jul/03/exxonmobil-spent-10m-fighting-australian-tax-office; https://www.bloomberg.com/news/articles/2018-08-09/exxon-loses-fight-for-337-million-tax-refund-from-u-s; https://www.france24.com/en/20170914-exxonmobil-russia-settle-tax-row>
8. <https://www.upstreamonline.com/politics/exxonmobil-hit-with-215-million-court-fine-in-russian-tax-dispute/2-1-1397064>
9. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/11/the-time-has-come.pdf>
10. <https://www.globalreporting.org/standards/standards/media/2482/gri-207-tax-2019.pdf>
11. <https://www.globalreporting.org/standards/standards-development/sector-standard-for-oil-and-gas/>
12. https://www.hess.com/sustainability/how-we-operate/tax-practices; https://reports.shell.com/tax-contributionreport/2020/our-tax-data.html; https://s24.q4cdn.com/382246808/files/doc_downloads/2022/sustainability/newmont-2021-tax-report.pdf; https://www.bp.com/en/global/corporate/sustainability/our-approach-to-sustainability/taxtransparency.html; https://reports.shell.com/tax-contribution-report/2020/; https://www.enni.com/assets/documents/eng/reports/2020/Country-by-Country-2020_ENG.pdf; https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2022-03/Tax_transparency_report_2019_2020.pdf
13. <https://www.globalreporting.org/news/news-center/momentum-gathering-behind-public-country-by-country-taxreporting/>

Proxy Resolutions: Corporate Governance

For the full list of investors who filed this resolution, see the Index on p. 244.

Right of Shareholders to Call Special Meetings

Moody's Corporation

Similar resolutions were submitted to Advanced Micro Devices, Inc., Autodesk Inc., MSCI Inc. and NVIDIA.

RESOLVED: Shareholders of Moody's Corporation ("Company") request our Board of Directors take the steps necessary to amend the appropriate company governing documents to give holders with an aggregate of 15% net long of our outstanding common stock the power to call a special shareowner meeting. This proposal does not impact our Board's current power to call a special meeting.

SUPPORTING STATEMENT: Our Company allows the Board to call a special meeting, whereas Delaware law also permits companies to allow shareholders to call such meetings. Calling for a special shareholder meeting is hardly ever used by shareholders. However, management will be incentivized to genuinely engage with shareholders instead of stonewalling on issues if shareholders have a realistic Plan B option of calling a special shareholder meeting.

Often, companies claim that shareholders have multiple means to communicate with management and the board. Still, in most cases, these means are as effective as mailing a postcard. A reasonable shareholder right to call a special shareholder meeting is essential for effective shareholder engagement with management.

Over 72% of S&P 500 companies allow shareholders to call a special meeting.

Between 2021 and 2023, at least 50% of shares at the following companies were voted in favor of shareholder proposals requesting that companies allow shareholders the right to call special meetings: Mosaic, Zoetis, Bloomin' Brands, Synopsys, TEGNA, Cerner, Crown Holdings, Cetene, Agilent Technologies, Beckton Dickinson, Dollar Genera, Thermo Fisher Scientific, and Kellanova.

Large funds such as Vanguard, TIAA-CREF, BlackRock, and SSgA Funds Management, Inc. (State Street) support shareholders' right to call special meetings. For example, BlackRock includes the following in its proxy voting guidelines: "[S]hareholders should have the right to call a special meeting..."

With the widespread use of online shareholder meetings, it is much easier for management to conduct a special shareholder meeting, and our bylaws thus need to be updated accordingly. This proposal should be seen in the context that shareholders at our Company also have no right to act by written consent.

We urge the Board to join the mainstream of major U.S. companies and establish a right for shareholders owning 15% of our outstanding common stock to call a special meeting.

The graphic included above is intended to be published with the Rule 14a-8 proposal and would be the same size as the largest management graphic (or highlighted management text) used in conjunction with a management proposal or opposition to a Rule 14a-8 shareholder proposal in the 2022 proxy. The proponent is willing to discuss mutual elimination of both shareholder graphic and any management graphic in the proxy in regard to this specific proposal. Reference SEC Staff Legal Bulletin No. 14I (CF) [16].

Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

Notes: This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added): Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also Sun Microsystems, Inc. (July 21, 2005)

I also take this opportunity to remind you of the SEC's recent guidance and my request that you acknowledge receipt of this shareholder proposal submission. SLB 14L Section F, <https://www.sec.gov/corpfin/staff-legal-bulletin-14l-shareholder-proposals>, Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested.

Diversity and Racial Justice

Corporate America continues to underperform on many critical metrics related to racial justice, diversity, equity, and inclusion (DEI). Of the 100 companies tracked by *Just Capital*, only 22% disclose the results of their pay equity analyses, and only 23% disclose their diversity targets for hiring, workforce composition, promotion, and retention. At the same time, there is a growing, orchestrated pushback against even moderate corporate DEI efforts.

ICCR member racial justice and DEI filings frequently call for racial equity and civil rights audits, pay equity, diversity on boards of directors, and reports on the negative impacts of policies and practices on communities of color. A new proposal this year seeks to tackle workplace-based sexual harassment via enforcement of a board-level code of ethics. ICCR-member DEI and racial justice filings stand at 47 this year with the largest group focusing on measuring the effectiveness of corporate diversity, equity, and inclusion efforts.

Diversity and Racial Justice

47

Proposal Topic

Quantity

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Workplace Culture: Concealment Clauses	3
Amendments to the Code of Ethics	1
Civil Rights Audit	1
Disclose Consolidated EEO-1 Report	1
Effectiveness of Diversity Efforts	1

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Numerous studies have demonstrated the benefits of a diverse workforce, and statistically significant positive correlations have been found between manager diversity and enterprise value. More than half of the S&P 500 and over one-third of the Russell 1000 have released, or have committed to release, their consolidated EEO-1 forms, regarded as a best practice in diversity data reporting.

In the third year of their campaign, investors filed proposals calling for companies to measure the effectiveness of their corporate diversity, equity, and inclusion efforts at 18 companies in a broad range of industries, including Danaher, Darling Ingredients, Eli Lilly, Paramount Global and Sprouts Markets. Suggested indicators include hiring, promotion, and retention rates.



Gender and Racial Pay Gap

Pay inequities continue to persist across race and gender. Black workers' hourly median earnings are just 81% of white workers' wages. The median income for women working full time is 83% that of men. Black women earn 64% of the wages of their white, male counterparts, Native women 51%, and Latina women 54%. At the current rate, Black women will not reach pay equity until 2130, and Latina women until 2224.

ICCR members asked 13 companies to report on their gender and racial pay gaps. Amazon and Apple were asked to disclose their median pay gaps across race and gender, including all associated reputational, competitive and operational risks related to recruiting and retaining diverse talent. Boeing, Chubb, Goldman Sachs and Marriott were asked to issue reports on both their median and adjusted pay gaps.

Racial Equity and Civil Rights Audits

In the years following the U.S.'s 2020 racial reckoning, investors have filed more than 70 shareholder proposals calling on companies to conduct racial equity audits assessing their impacts on communities of color. Twenty-four targeted companies agreed to conduct the necessary audits, and four proposals that went to a vote received the support of a majority of shareholders. Twelve companies have already publicly released the results of their audits and more are expected to do so this year.

ICCR members filed 10 racial equity or civil rights audit proposals with companies in a range of industries, including AT&T, GEO Group, PepsiCo, Royal Bank of Canada and Walmart, asking them to issue independent audits analyzing their adverse impacts on Black, Indigenous and People of Color (BIPOC) communities, and to provide recommendations for improving their racial equity impact. Input from employees, customers, racial justice, labor, and civil rights organizations should be included.

Amendment to Company's Code of Ethics

Netflix is under increasing pressure due to unchecked workplace sexual abuse and harassment scandals. An unwillingness to directly address workplace harassment risks negatively impacting the company's brand —which is built upon increased visibility for underrepresented groups—and has the potential to alienate actors and directors from diverse backgrounds, and cost the company credibility with its customers.

ICCR members asked Netflix to amend its Code of Ethics to clarify how its board verifies board member compliance with its Code, including outside of their roles as Netflix board members.



Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Gender and Racial Pay Gap

Amazon.com, Inc

RESOLVED: Shareholders request Amazon report on median pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings (Wikipedia/Organization for Economic Cooperation and Development, respectively).

WHEREAS: Amazon remains under public scrutiny for alleged unfair pay and working conditions. Amazon has faced numerous lawsuits claiming disparities in promotion rates and corporate leveling system for women and minorities.¹ In November, three employees sued Amazon alleging “chronic pay inequity issues.”²

Pay inequities persist across race and gender and pose substantial risks to companies and society. Black workers’ median annual earnings represent 77 percent of white wages. The median income for women working full time is 84 percent that of men. Intersecting race, Black women earn 76 percent and Latina women 63 percent.³ At the current rate, women will not reach pay equity until 2059, Black women in 2130, and Latina women in 2224.⁴

Actively managing pay equity is associated with improved representation, and diversity is linked to superior stock performance and return on equity.⁵

Best practice pay equity reporting consists of two parts:

1. Unadjusted median pay gaps, assessing equal opportunity to high paying roles,
2. Statistically adjusted gaps, assessing whether minorities and non-minorities, men and women, are paid the same for similar roles.

Racial and gender median pay gaps are accepted as the valid way of measuring pay inequity by the United States Census Bureau, Department of Labor, and International Labor Organization. The United Kingdom and Ireland mandate disclosure of median gender pay gaps.

Despite ongoing controversy, Amazon continues to ignore reporting unadjusted median pay gaps which would provide crucial insights into how well the Company is managing access to job opportunities and employee pay. Median pay gap data, as opposed to diversity data alone, shows, quite literally, how Amazon assigns value to employees through the roles they inhabit and pay they receive. Median gap reporting provides a digestible and comparable data point to determine progress over time.

Amazon has an opportunity to improve the diversity of its employee base across the Company, not only in lower-level positions. Minorities represent 72 percent of Field and Customer Support Employees but only 36 percent of Executive employees. Women represent 47 percent of the Field and Customer Support Employees and only 25 percent of Executive employees.⁶

SUPPORTING STATEMENT: An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- Percentage median gender pay gap, globally and/or by country, where appropriate
- Percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

1. <https://www.vox.com/recode/2021/5/19/22444177/amazon-five-more-lawsuits-employees-allege-race-and-gender-discrimination-charlotte-newman>
2. <https://www.cnbc.com/2023/11/20/amazon-sued-by-three-employees-who-allege-gender-discrimination.html>
3. <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> - par_textimage_24
4. <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>
5. Ibid.
6. <https://sustainability.aboutamazon.com/2022-sustainability-report.pdf>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Gender and Racial Pay Gap

Apple Computer, Inc.

Similar resolutions were submitted to American Tower Corporation, Amgen Inc., Applied Materials, Inc., Charles Schwab Corporation (The), Chubb Limited, ExxonMobil and Vertex Pharmaceuticals Incorporated.

WHEREAS: Pay inequities persist across race and gender and pose substantial risk to companies and society at large. Black workers' hourly median earnings represent 81 percent of white wages. The median income for women working full time is 83 percent that of men. Intersecting race, Black women earn 64 percent, Native women 51 percent, and Latina women 54 percent. At the current rate, women will not reach pay equity until 2059, Black women until 2130, and Latina women until 2224.¹

Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional income. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development countries' economies by 2 trillion dollars annually.²

Actively managing pay equity is associated with improved representation, and diversity is linked to superior stock performance and return on equity.³ Minorities represent 58 percent of Apple's workforce and 45 percent of leadership. Women represent 35 percent of Apple's workforce and 32 percent of leadership.⁴

Best practice pay equity reporting consists of two parts:

1. Unadjusted median pay gaps, assessing equal opportunity to high paying roles,
2. Statistically adjusted gaps, assessing pay between minorities and non-minorities, men and women, performing similar roles.

Apple reports only statistically adjusted gaps but ignores unadjusted gaps, which address structural bias women and minorities face regarding job opportunity and pay, particularly when men hold most higher paying jobs. Median pay gaps show, quite literally, how Apple assigns value to employees through the roles they inhabit and pay they receive. Median gap reporting also provides a digestible and comparable data point to determine progress over time.

Racial and gender median pay gaps are accepted as the valid way of measuring pay inequity by the United States Census Bureau, Department of Labor, Organization for Economic Cooperation and Development, and International Labor Organization. The United Kingdom and Ireland mandate disclosure of median gender pay gaps. For its United Kingdom employees, Apple reports a median hourly and bonus gender pay gap of 13 percent.⁵

RESOLVED: Shareholders request Apple report on median pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

SUPPORTING STATEMENT: An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- Percentage median gender pay gap, globally and/or by country, where appropriate
- Percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

1. <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>

2. Ibid.

3. Ibid.

4. <https://www.apple.com/diversity/>

5. <https://images.apple.com/legal/more-resources/docs/uk-gender-pay-gap-report-2022.pdf>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Gender and Racial Pay Gap

Boeing Company

RESOLVED: James McRitchie of CorpGov.net and other shareholders request The Boeing Company (Boeing) report annually on unadjusted median and adjusted pay gaps across race and gender globally and/or by country, where appropriate, including associated policy, reputational, competitive, operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy, and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings.

SUPPORTING STATEMENT: Pay inequities persist across race and gender. They pose substantial societal and company risks. Black workers' median annual earnings represent 77 percent of white wages. The median income for women working full time is 84 percent that of men. Intersecting race, Black women earn 76 percent and Latina women 63 percent.¹ At the current rate, women will not reach pay equity until 2059, Black women in 2130, and Latina women in 2224.²

Citigroup estimated closing minority and gender wage gaps 20 years ago could have generated \$12 trillion in additional national income. PwC estimates the gender pay gap costs OECD economies \$2 trillion annually.

Minorities represent 35.8% of Boeing's United States workforce and 21.8% of Executives. Women represent 24.1% of the workforce and 33.2% of executive leadership.³ Actively managing pay equity is associated with improved representation. Diversity is linked to superior stock performance and return on equity.

Best practice includes:

- Unadjusted median pay gaps, assessing equal opportunity to high-paying roles,
- Statistically adjusted gaps, assessing whether minorities and non-minorities, men and women, are paid the same for similar roles.

Boeing does not report quantitative unadjusted or adjusted pay gaps. 50 percent of the 100 largest U.S. companies by market capitalization report adjusted gaps. An increasing number of companies disclose unadjusted gaps to address the structural bias women and minorities face regarding job opportunity and pay.

Racial and gender unadjusted median pay gaps are accepted as the valid way of measuring pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization. The United Kingdom and Ireland mandate disclosure of median pay gaps, and the United Kingdom is considering racial pay reporting.

While Boeing reports diversity data, unadjusted median and adjusted pay gaps would show how Boeing assigns value to its employees. Pay gap reporting provides digestible, comparable data to determine progress over time.

An annual report adequate for investors to assess performance could integrate base, bonus, and equity compensation to calculate:

- Percentage median and adjusted gender pay gap, globally and/or by country
- Percentage median and adjusted racial/minority/ethnicity pay gap, U.S. and/or by country

SUPPORTING DATA: <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>

Diversity Improves Stock Performance.

1. <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> - par_textimage_24
2. <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>
3. https://www.boeing.com/resources/boeingdotcom/principles/diversity-and-inclusion/assets/pdf/Boeing_GEDI_Report_FINAL.pdf

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Gender and Racial Pay Gap

Marriott International, Inc.

A similar resolution was submitted to Intuitive Surgical, Inc.

RESOLVED: Myra K. Young of CorpGov.net and other shareholders request Marriott International, Inc (“Company” or “Marriott”) report on median pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy, and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

SUPPORTING STATEMENT: An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus, and equity compensation to calculate:

- Percentage median gender pay gap, globally and/or by country, where appropriate
- Percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

WHEREAS: Pay inequities persist across race and gender. They pose substantial risks to companies and society. Black workers’ median annual earnings represent 77 percent of white wages. The median income for women working full time is 84 percent that of men. Intersecting race, Black women earn 76 percent and Latina women 63 percent.¹ At the current rate, women will not reach pay equity until 2059, Black women in 2130, and Latina women in 2224.²

Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional national income. PwC estimates closing the gender pay gap could boost the economies of Organization for Economic Cooperation and Development (OECD) countries by 2 trillion dollars annually.³ Actively managing pay equity is linked to superior stock performance and return on equity.⁴

Best practice pay equity reporting consists of two parts:

1. Unadjusted median pay gaps, assessing equal opportunity to high-paying roles,
2. Statistically adjusted gaps, assessing whether minorities and non-minorities, men and women, are paid the same for similar roles.

Marriott reports only statistically adjusted pay gaps but ignores unadjusted gaps, which address the structural bias women, and underrepresented minorities face regarding job opportunities and pay, particularly when men hold most higher-paying jobs. While we are glad, Marriott now reports adjusted pay gaps, median pay shows, quite literally, how Marriott assigns value to employees through the roles they inhabit and pay they receive. Median pay gap reporting also provides a digestible and comparable data point to determine progress over time.

Racial and gender-unadjusted median pay gaps are accepted as the valid way of measuring pay inequity by the United States Census Bureau, Department of Labor, Organization for Economic Cooperation and Development, and International Labor Organization. The United Kingdom and Ireland mandate disclosure of median gender pay gaps.

It is also worth considering that Marriott reported a CEO pay ratio of 477 to 1.

Pay Equity Affirms Human Rights and Increases Long-Term Shareholder Value Vote FOR Racial and Gender Pay Gap Report – Proposal [4*]

1. https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html-par_textimage_24

2. <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>

3. Ibid.

4. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/promoting-gender-parity-in-the-global-workplace>;
<https://www.issgovernance.com/file/publications/ISS-ESG-Gender-Diversity-Linked-to-Success.pdf>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Gender and Racial Pay Gap

Goldman Sachs Group Inc.

RESOLVED: Shareholders request that the Goldman Sachs Group, Inc. (“Company”, “Goldman Sachs”, or “Goldman”) report annually on unadjusted median and adjusted pay gaps across race and gender globally, and include associated policy, reputational, competitive, and operational risks – including risks associated with recruiting and retaining diverse key talent. The report should be prepared at reasonable cost, and omit proprietary information, litigation strategy, and legal compliance information.

Ideally, annual reporting would integrate base, bonus, and equity compensation broken out by country, where appropriate, and further differentiate between gender and racial/minority/ethnicity groupings.

Racial/gender pay gaps are the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings.

SUPPORTING STATEMENT: Goldman Sachs has faced substantial scrutiny in recent years for gender pay discrimination, which culminated in a \$215 million class-action settlement in May 2023.¹ Ongoing pay inequities – which persist across both race and gender at Goldman – pose substantial risks to the Company. For instance, Black workers’ median annual earnings represent just 77% of white wages, while the median income for women working full-time is only 84% that of men. Considering race, Black women earn 76% and Latina women just 63%.²

At the current trajectory, White women will not reach pay equity until 2059 – three decades from now; Black women not until 2130 – a century from now; and Latina women not until 2224 – two full centuries from now.³

Citigroup estimates that had minority and gender wage gaps been closed 20 years ago, it would have contributed \$12 trillion additional dollars to national income.

Studies link diversity in leadership and managing pay equity to superior stock performance as well as higher return on equity.⁴

Women and minorities clearly face structural bias regarding job opportunity and pay. At Goldman, underrepresented minorities represent 47.0% of the workforce but only 26.7% of executives. Women represent 42.9% of the workforce but only 25.1% of executives.

Best practice pay equity reporting consists of two parts:

1. Statistically adjusted gaps – which assess whether minorities and non-minorities (both men and women) are paid equally for similar roles.
2. Unadjusted median pay gaps – which assess equal opportunity for high paying roles.

Currently, Goldman reports neither adjusted nor unadjusted quantitative pay gaps. In contrast, roughly 50% of the nation’s top 100 companies report adjusted gaps, and an increasing number also disclose unadjusted gaps.⁵

Racial and gender unadjusted median pay gaps are accepted as the valid way to measure pay inequity by the United States Census Bureau, Department of Labor, OECD, and the International Labor Organization. The United Kingdom and Ireland legally mandate disclosure of median gender pay gaps.⁶

THEREFORE: Because gender and equity pay gaps are inherently unfair, because they have been shown to harm company performance, and because disparity continues to be a serious issue that plagues Goldman Sachs, please vote FOR this commonsense reporting proposal.

1. <https://www.nytimes.com/2023/05/09/business/dealbook/goldman-sachs-discrimination-lawsuit.html>
2. <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> - par_textimage_24
3. <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>
4. Ibid.
5. <https://diversiq.com/which-sp-500-companies-disclose-gender-pay-equity-data/>
6. <https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/622f4567fae4ea772ae60492/1647265128087/Racial+Gender+Pay+Scorecard+2022+-+Arjuna+Capital.pdf>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Eli Lilly and Company

Similar resolutions were submitted to Align Technology Inc., Amkor Technology, Berkshire Hathaway Inc., Danaher Corp., Darling Ingredients, DocuSign Inc, Encompass Health Corporation, Herbalife Ltd., Jones Lang LaSalle Incorporated, NCR Corporation, Paramount Global, Sprouts Farmers Market Inc., United Parcel Service, Inc., and Wabtec.

BE IT RESOLVED: Shareholders request that Eli Lilly & Co. (Eli Lilly) report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for workforce diversity, hiring, promotion, and retention of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess and compare the effectiveness of companies' diversity, equity, and inclusion programs.

It is advised that this content be provided through Eli Lilly's existing sustainability reporting infrastructure. An independent report specific to this topic is not requested.

WHEREAS: Companies that release, or have committed to release, more inclusion data than Eli Lilly include: Baxter International, Biogen, CVS Health, Gilead Sciences, Pfizer, and UnitedHealth Group.

As You Sow and Whistle Stop Capital released research in November 2023 that reviewed over 4,500 EEO-1 reports, which show corporate workforce diversity.¹ The data shows a positive correlation between manager diversity and corporate performance. Within the healthcare sector, statistically significant positive correlations were found between manager diversity and free cash flow per share, income after tax, long-term growth, and ten-year growth rate.

As of the date of the filing of this proposal, Eli Lilly had not yet shared sufficient hiring, retention, or promotion data to allow investors to determine the effectiveness of its diversity and inclusion programs.

As detailed below, inclusion indicators are also important in assessing Eli Lilly's workplace equity efforts and if the Company will be able to successfully build, utilize, and retain a diverse management team.

Hiring: Studies conducted by economists at the University of Chicago and UC Berkeley found that "discriminating companies tend to be less profitable," stating "it is costly for firms to discriminate against productive workers."²

Promotion: Without equitable promotional practices, companies will be unable to build the necessary employee pipelines for diverse management. Women and employees of color experience "a broken rung" in their careers; for every 100 men who are promoted, only 87 women are. Whereas women of color comprise 18 percent of the entry-level workforce and only 6 percent of executives.³

Retention: Retention rates indicate if employees believe a company represents their best opportunity. Morgan Stanley has found that employee retention above industry average can indicate a competitive advantage and higher levels of future profitability.⁴ Investors have reason to be concerned about Eli Lilly's workplace culture given allegations of age discrimination⁵ and sexual harassment at the Company,⁶ as well as the loss of an executive team member as a result of an "inappropriate personal relationship."⁷

1. <https://www.asyou sow.org/report-page/2023-positive-relationships-linking-workforce-diversity-and-financial-performance>
2. <https://www.nytimes.com/2021/07/29/business/economy/hiring-racial-discrimination.html>
3. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>
4. https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf, p. 2
5. <https://www.fiercepharma.com/pharma/lilly-forks-over-24m-settle-federal-agencys-age-discrimination-lawsuit#:~:text=Eli%20Lilly%20will%20pay%20out%20%28PDF%29%20%242.4%20million,prioritize%20recruitment%20of%20more%20millennials%20to%20its%20workforce>
6. <https://endpts.com/after-dismissing-cfo-over-inappropriate-messages-eli-lilly-faces-new-accusations-of-sexual-harassment/>
7. <https://www.forbes.com/sites/palashghosh/2021/02/09/eli-lillys-cfo-josh-smiley-resigns-over-inappropriate-relationship-with-employee/?sh=183103643601>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Expeditors International of Washington

RESOLVED: Shareholders request that Expeditors International of Washington, Inc. ("Expeditors") report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so investors can assess and compare the effectiveness of companies' diversity, equity, and inclusion programs.

WHEREAS: Numerous studies have pointed to the benefits of a diverse workforce. Their findings include:

BlackRock has found that companies with more gender-balanced workforces meaningfully outperformed their peers between 2013 and 2022.¹

Companies with the strongest executive ethnic diversity were 33 percent more likely to have financial returns above their industry medians than those in the bottom quartile for executive ethnic diversity, according to the consultancy McKinsey.²

A review of the workforce diversity of over 1,500 companies found a positive relationship between increases in management diversity and eight financial performance indicators, including return on equity and return on invested capital.³

Findings from The Wall Street Journal⁴, Harvard Business Review⁵, Credit Suisse⁶, and others have also pointed to the benefits of a diverse workforce.

Ninety-four percent of the S&P 100, more than half of the S&P 500 and over one-third of the Russell 1000 have released, or have committed to release, their EEO-1 forms, a best practice in diversity data reporting. Companies that release, or have committed to release, inclusion data include Boeing, Norfolk Southern, Northrop Grumman, and Union Pacific.

Hiring, promotion and retention rate data show how well a company manages its workforce diversity.

Companies should look to hire the best talent. However, Black and Latino applicants face hiring challenges. Results of a meta-analysis of 24 field experiments found that, with identical resumes, white applicants received an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.⁷

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and employees of color experience "a broken rung" in their careers; for every 100 men who are promoted only 86 women are. Women of color are particularly impacted, comprising 17 percent of the entry-level workforce and only four percent of executives.⁸

Retention rates show whether employees choose to remain at a company. Morgan Stanley has found that employee retention above industry average can indicate a competitive advantage and higher levels of future profitability.⁹ Companies with high employee satisfaction have also been linked to annualized out performance of over two percent.¹⁰

Expeditors has not released its consolidated EEO-1 form, nor has it shared sufficient quantitative hiring, retention, and promotion data to allow investors to determine the effectiveness of its human capital management programs.

1. <https://www.ft.com/content/f8b902b9-ca9a-42db-a3cd-97fe2cc13863>

2. <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/delivering-through-diversity>

3. <https://www.ashasow.org/reports/2023-capturing-the-diversity-benefit>

4. <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>

5. <https://hbr.org/2023/07/how-to-effectively-and-legally-use-racial-data-for-dei>

6. <https://www.americanbanker.com/diversity-&-inclusion-yields-strongest-returns>7. <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>8. https://www.womenintheoffice.com/Women_in_the_Workplace_2021.pdf9. https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf10. https://www.institutionalinvestor.com/article/b1tx0zzdhhn5x/Want-to-Pick-the-Best-Stocks-Pick-the-Happiest-Companies?utm_medium=email&utm_campaign=The%20Essential%20II%2020100721&utm_content=The%20Essential%20II%2020100721%20CID_eb103a9e15359075f72a85f7ff534c79&utm_source=CampaignMonitorEmail&utm_term=Want%20to%20Pick%20the%20Best%20Stocks%20Pick%20the%20Happiest%20Companies

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

Manhattan Associates, Inc.

A similar resolution was submitted to Rollins Environmental Services, Inc.

WHEREAS: Following George Floyd's murder by police officers on May 25, 2020, a majority of the largest 1000 public corporations made public statements expressing their plans to address racial justice, thereby taking an important step in acknowledging diversity, equity, inclusion (DEI) and racial equity as core to their businesses. Shareholders now seek quantitative, comparable data to understand if and how companies are promoting commitments to racial equity.

Unfortunately, it appears that Manhattan Associates Inc. is falling behind its peers in its DEI policies and practices. Manhattan Associates earned a low 6% score on As You Sow's recent Racial Justice Scorecard.¹ Manhattan Associates' score ranks significantly below that of peer company Oracle Corp., which scored 30%.² Manhattan Associate's low score is due to a lack of publicly accessible DEI data and its failure to disclose information regarding its failure to disclose information regarding related practices.

Numerous studies have demonstrated the financial benefits of a diverse, inclusive workplace:

- A McKinsey study listing material benefits associated with corporate policies promoting racial justice found that companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians for earnings before interest and tax.³
- When evaluating companies for diversity, McKinsey found that teams in the top quartile for ethnic and cultural diversity outperformed those in the bottom quartile by 36% in profitability.⁴
- Companies that form Employee Resource Groups can increase the number of diverse job applicants they receive according to a survey by the U.S. Chamber of Commerce, which states that 70% of Gen Z respondents were more likely to apply to a job with an ERG.⁵ According to a recent CNBC survey, 80% of workers prefer to work for a company that values DEI.⁶
- Shareholders thus have a strong interest in access to information about a company's DEI policies and quantitative data demonstrating the effectiveness of those policies. The failure to disclose this information raises material risk of reduced brand value and financial performance.

Manhattan Associates can improve its performance and reduce the material risks posed by inadequate DEI policies and practices, while also playing an important role in furthering corporate racial equity by promoting DEI both internally and publicly.

BE IT RESOLVED: Shareholders request that Manhattan Associates issue a public report on the effectiveness of the Company's diversity, equity, and inclusion efforts.

SUPPORTING STATEMENT: Proponents suggest the public report, include information on:

- Employee Resource Groups for BIPOC employees;
- Racial diversity training for employees; and
- The Company's current racial equity-based community engagement efforts.

1. <https://www.asyousow.org/our-work/social-justice/racial-justice>

2. <https://www.asyousow.org/our-work/social-justice/racial-justice>

3. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/delivering-through-diversity>

4. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

5. <https://www.uschamber.com/co/run/human-resources/how-employee-resources-groups-can-help-employee-retention>

6. <https://www.cnbc.com/2021/04/30/diversity-equity-and-inclusion-are-important-to-workers-survey-shows.html>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Effectiveness of Diversity Efforts

Flowers Foods, Inc.

WHEREAS: Following George Floyd's murder by police officers on May 25, 2020, a majority of the largest 1000 public corporations made public statements expressing their plans to address racial justice, thereby taking an important step in acknowledging diversity, equity, inclusion (DEI) and racial equity as core to their businesses. Shareholders now seek quantitative, comparable data to understand if and how companies are following through on their commitments to racial equity.

Unfortunately, it appears that Flowers Foods Inc. is falling behind its peers in its DEI policies and practices. Flowers Foods earned a low 6% score on As You Sow's recent Racial Justice Scorecard.¹ Flower Foods' score ranks significantly below that of peer company Campbell Soup Co, which scored 55%.² The Company's low score is primarily due to a lack of publicly accessible DEI data and its failure to disclose information regarding related practices.

Numerous studies have demonstrated the financial benefits of a diverse, inclusive workplace, highlighting that the lack of public disclosure of DEI policies and practices, and related quantifiable data, raises material risk of reduced brand value and financial performance:

- A McKinsey study listing material benefits associated with corporate policies promoting racial justice found that companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians for earnings before interest and tax.³
- When evaluating companies for diversity, McKinsey found that teams in the top quartile for ethnic and cultural diversity outperformed those in the bottom quartile by 36% in profitability.⁴
- Companies that form Employee Resource Groups can increase the number of diverse job applicants they receive according to a survey by the U.S. Chamber of Commerce, which states that 70% of Gen Z respondents were more likely to apply to a job with an ERG.⁵ According to a recent CNBC survey, 80% of workers prefer to work for a company that values DEI.⁶
- Shareholders thus have a strong interest in access to information about a company's DEI policies and quantitative data demonstrating the effectiveness of those policies. The failure to disclose this information raises material risk of reduced brand value and financial performance.

Flowers Foods can improve its performance and reduce the material risks posed by inadequate DEI policies and practices, while also playing an important role in furthering corporate racial equity, by promoting DEI both internally and publicly.

BE IT RESOLVED: Shareholders request that Flowers Foods issue a public report on the effectiveness of the Company's diversity, equity, and inclusion efforts.

SUPPORTING STATEMENT: Proponents suggest the public report, include information on:

- Employee Resource Groups for BIPOC employees
- Racial diversity training for employees; and
- The Company's current racial equity-based community engagement efforts.

1. <https://www.asyousow.org/our-work/social-justice/racial-justice>

2. <https://www.asyousow.org/our-work/social-justice/racial-justice>

3. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/delivering-through-diversity>

4. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

5. <https://www.uschamber.com/co/run/human-resources/how-employee-resources-groups-can-help-employee-retention>

6. <https://www.cnbc.com/2021/04/30/diversity-equity-and-inclusion-are-important-to-workers-survey-shows.html>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Disclose Consolidated EEO-1 Report

Valmont Industries, Inc.

WHEREAS: Consistent, comparable, and comprehensive disclosure of workforce demographic data enables investors to more accurately evaluate the effectiveness of corporate diversity, equity, and inclusion (DEI) policies and practices.

The business case for advancing DEI is clear. Recent research has confirmed a positive association between diverse representation in management and positive financial performance.¹ Diverse and inclusive workplaces encourage varied perspectives, which enables companies to better anticipate shifts in consumer preferences, reduce costly turnover, and increase productivity and morale.^{2,3} Such companies are better positioned to recruit the most talented employees from the broadest possible labor pool. Conversely, charges of discrimination can result in costly litigation and reputational damage.

Major institutional investors share our belief that transparency and public accountability are essential components of diversity, equity, and inclusion leadership. For example, on behalf of the New York City Employee Retirement Systems, New York City's Comptroller has moved 90 companies to make public their EEO-1 reports.⁴

Despite recent progress, women and people of color remain significantly underrepresented in management positions at US companies. Women hold 41% of officials and managers positions compared to 48% of private industry jobs reported to the EEOC. The numbers are proportionately worse for Black and Hispanic employees, who comprise 7% and 8% of officials and managers, respectively, though each group accounts for 15% of total employment.⁵ Quantitative data is sought so investors can assess and compare the effectiveness of companies' diversity, equity, and inclusion programs and foster progress.

Valmont Industries, Inc. ("Valmont") lags industry peers in disclosing comprehensive workforce composition data, diminishing shareholder's ability to evaluate the effectiveness of its DEI policies and practices. Companies that report currently or have committed to disclose EEO-1 data include First Solar, Inc.,⁶ Hubbell Incorporated,⁷ and Harsco Corp.⁸

Valmont already submits the data—disclosing its EEO-1 report is a cost-effective means to demonstrate DEI leadership while providing investors with credible, decision-useful data. Although Valmont established a goal to increase the racial/ethnic representation of its workforce, its limited disclosure of high-level workforce demographic data does not provide shareholders the disaggregated workforce data needed to appropriately analyze and assess the company's progress against its representation goal nor the overall effectiveness of its DEI efforts.

RESOLVED: Shareholders request the Board of Directors adopt a policy committing Valmont Industries, Inc. to disclose on its website its Consolidated EEO-1 Report—a breakdown of the company's workforce by gender, race, and ethnicity it submits annually to the U.S. Equal Employment Opportunity Commission (EEOC). Valmont Industries, Inc. shall annually disclose its EEO-1 Report no later than 60 days after its submission.

SUPPORTING STATEMENT: Shareholders recommend the Board and Management consider, at their discretion, supplementing the EEO-1 report disclosure with additional context depicting DEI management, including:

- Promotion, retention, and turnover data, disaggregated by gender, race, and ethnicity; and
- Details regarding the Company's diversity, equity, and inclusion efforts.

1. <https://www.asyou sow.org/report-page/workplace-diversity-and-financial-performance>

2. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/delivering-through-diversity>

3. <https://www.americanprogress.org/issues/economy/reports/2021/08/23/502287/time-workforce-disclosure-reset/>

4. <https://comptroller.nyc.gov/newsroom/new-york-city-comptroller-lander-and-the-citys-pension-funds-release-2022-shareholder-initiatives-postseason-report/>

5. <https://www.eeoc.gov/statistics/employment/jobpatterns/eeo1>

6. https://www.firstsolar.com/-/media/First-Solar/Sustainability-Documents/FirstSolar_Sustainability-Report_2023.ashx?page=50

7. https://hubbellcdn.com/ohwassets/Hubbell/ESG/Documents/Hubbell_EEO-Report_Tables.pdf

8. https://www.enviri.com/sites/default/files/2022-11/EE01_0625405_2021%20Report.pdf

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Racial Equity Audit

3M Company

A similar resolution was submitted to PepsiCo, Inc.

RESOLVED: Shareholders of 3M Company (“3M”) urge the board of directors to oversee a third-party audit (within a reasonable time and at a reasonable cost) which assesses and produces recommendations for improving the racial impacts of its policies, practices, products, and services, above and beyond legal and regulatory matters. A report on the audit, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company’s website.

WHEREAS: Racial equity audits engage companies in a process that may unlock value, uncover blind spots, and strengthen external relationships.

Leaders of major racial justice organizations across the United States have called for companies to conduct racial equity audits. The best practices these organizations identified for completing these audits are:

- 1) Select an independent person or firm with civil rights and racial justice expertise and adequate resources to complete the audit.
- 2) Ensure the audit comprehensively examines how corporate policies, practices, and products can ameliorate or exacerbate racial inequalities. Audit processes should proactively identify and engage in outreach to a wide range of stakeholders such as civil rights organizations, employees, and customers impacted by racial inequity.
- 3) Publish audit findings, recommendations, and progress reports with action plans with timelines to address identified issues.¹

At least 19 corporations have committed or are in the process of completing racial equity audits.

3M has said, “As a science company, 3M relies on data to inform our priorities. Our team has rooted our work in the proven research that equity is a superior growth model for our company and our communities.”²

CEO Mike Roman also said, “Progress requires us all to stand up as advocates for racial inclusion and social justice. I stand shoulder to shoulder with everyone who wants to make a difference, and commit our expertise, experience and energy to improving our society one community at a time.”³

3M has undertaken a number of admirable initiatives, including but not limited to committing to spend \$50 million on racial justice and equity projects,⁴ hosting events about the link between racism and social determinants of health,⁵ reflecting on their hiring process,⁶ setting representation goals for diverse employees and suppliers, and seeking to integrate equity considerations into new product design.⁷

3M has also misstepped at times, with allegations from multiple employees of discrimination or retaliation at 3M’s South Dakota plant.⁸ The company also agreed to pay more than \$10 billion to help clean up PFAS (per- and poly-fluoroalkyl substances) known as “forever chemicals.”⁹ A Harvard study researched forever chemicals exposure in the United States and found “statistical evidence of disproportionate exposure in Black and Hispanic communities.”¹⁰

We urge 3M to conduct a racial equity audit to examine its total impact and to support the longevity of its businesses by developing a full understanding of its role in supporting racial equity efforts.

1. <https://hiphopcaucus.org/major-u-s-civil-rights-and-racial-justice-organizations-call-on-corporations-to-account-for-racial-equity-and-civil-rights-audits/>
2. <https://equity.3m.com/>
3. <https://www.bizjournals.com/twincities/news/2020/09/16/3m-50m-five-years-racial-opportunity-gaps.html>
4. <https://www.bizjournals.com/twincities/news/2020/09/16/3m-50m-five-years-racial-opportunity-gaps.html>
5. <https://multimedia.3m.com/mws/media/20639850/sdoh-and-structural-racism-wealready.pdf>
6. <https://equity.3m.com/DEI-report-our-people>
7. <https://equity.3m.com/>
8. <https://atlantablackstar.com/2023/08/27/manufacturing-plant-3m-sued-by-four-former-employees/#:~:text=The%203M%20corporation%20is%20being%20sued%20by%20four,the%20company%20accountable%20for%20its%20alleged%20discriminatory%20practices>
9. https://www.washingtonpost.com/business/2023/06/27/3m-pfas-settlement-shows-new-chemicals-need-more-regulation/4dcdf438-14f9-11ee-9de3-ba1fa29e9bec_story.html
10. <https://www.theverge.com/2023/5/16/23725917/pfas-forever-chemicals-toxic-black-hispanic-pollution>

Racial Equity Audit

Bank of Montreal

RESOLVED shareholders request the bank conduct and publish (at reasonable cost and omitting proprietary information) a third-party racial equity audit analyzing BMO's adverse impacts on non-white stakeholders and communities of colour. Input from civil rights organizations, employees, and customers should be considered.

SUPPORTING STATEMENT: Financial institutions play a key role in society allowing businesses and individuals to access essential economic opportunities through a broad range of financial products and services, including facilitating transactions, providing credit and loan services, savings accounts, and investment management. Financial institutions have a responsibility to ensure that their business operations, practices, policies and products and services do not have adverse impacts on non-white stakeholders and communities of colour.

An estimated 3%-6% of Canadians are unbanked, and 15-25% of Canadians are underbanked. Unbanking and underbanking has a disproportionate effect on Indigenous peoples, and "financial access has been cited by researchers as an endemic problem in 'low-income communities of color'".¹

The Financial Consumer Agency of Canada found that racialized or Indigenous bank customers are subjected to discriminatory practices² and were more likely than other customers to be recommended inappropriate products, were not presented information in a clear and simple manner, and were offered optional products, such as overdraft protection and balance protection insurance.

BMO has been subject to negative media coverage on racial equity issues, including racial profiling and racial discrimination.^{3,4} Such controversies may be indicative of systemic racial equity issues in the Company's operations. Racial equity issues present significant legal, financial, regulatory, and reputational business risks to the bank and its shareholders.

At BMO's 2023 annual meeting of shareholders, 37% of votes were cast in favour of a resolution requesting a third-party racial equity audit. BMO argued in its response that an audit was not additive or necessary, instead referring to its 2025 Zero Barriers to inclusion policy to break down barriers for historically underserved and marginalized groups through inclusive banking products, services, and resources as part of BMO EMpower 2.0.

While BMO's Zero Barriers to Inclusion 2025 strategy earmarks loans for historically disadvantaged groups, it fails to address existing or potential racial equity issues stemming from the products and services it offers, and the bank's current diversity, equity, and inclusion (DEI) commitments are insufficient to identify or address potential and existing racial equity issues stemming from its practices, policies, products, and services.

A racial equity audit is a way to ensure that bank activities such as the Zero Barriers to Inclusion strategy and its philanthropic efforts are truly effective. A racial equity audit can inform and facilitate any course correction necessary to promote racial equity and protect the company from risk.

BMO's peer banks in both the United States and Canada have agreed to similar racial equity audits, including Citigroup, Wells Fargo, TD Bank, Scotiabank and National Bank of Canada. In light of BMO's recent US acquisitions including of Bank of the West, failure to assess racial equity impacts may expose our bank to undue risk.

1. https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Financial_Inclusion_in_British_Columbia_Evaluating_the_Role_of_Fintech.pdf
2. <https://www.canada.ca/en/financial-consumer-agency/programs/research/mystery-shopping-domestic-retail-banks.html>
3. <https://yellowheadinstitute.org/2020/02/27/banking-while-brown-indigenous-people-and-structural-racism-in-canada/>
4. <https://www.cbc.ca/news/canada/british-columbia/bmo-human-rights-complaint-1.5812525>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Racial Equity Audit

Royal Bank of Canada

RESOLVED, shareholders request the bank conduct and publish (at reasonable cost and omitting proprietary information) a third-party racial equity audit analyzing RBC's adverse impacts on communities of colour and Indigenous people. Input from civil rights organizations, employees, and customers should be considered.

SUPPORTING STATEMENT: Financial institutions play a key role in society, allowing businesses and individuals to access essential economic opportunities through a range of financial products and services, including credit and loan services, savings accounts, and investment management. Financial institutions have the responsibility to ensure that their business operations do not have adverse impacts on communities of colour and Indigenous people.

An estimated 2% of Canadians are "unbanked",¹ while 15-25% are "underbanked". Unbanking and underbanking have a disproportionate effect on Indigenous peoples.² The Financial Consumer Agency of Canada found that racialized or Indigenous bank customers are subjected to discriminatory practices³, were more likely than other customers to be recommended inappropriate products, were not presented information in a clear and simple manner and were offered optional products such as overdraft protection and balance protection insurance.

In recent years, RBC has been subject to negative media coverage regarding discrimination against customers and employees. In January 2023, the US Justice Department announced a US \$31 million settlement with RBC subsidiary City National Bank over allegations of lending discrimination in Los Angeles.⁴ The Department alleged that RBC's subsidiary perpetuated "redlining," a racist practice that is prohibited under the Fair Housing and Equal Credit Opportunity Acts, by systematically avoiding marketing and underwriting mortgages in predominantly Black and Latino neighbourhoods.⁵

Additional recent race-based allegations against RBC include the use of high-pressure sales tactics⁶, racial profiling⁷, and other reports of alleged misconduct.⁸

RBC has committed to enabling economic inclusion through its Action Plan Against Systemic Racism. Although well intentioned, such initiatives do not constitute an alternative to racial equity audits. A racial equity audit is an independent examination of business practices intended to identify and remediate potential and actual discriminatory outcomes on people of colour and Indigenous people. Such an assessment would help shareholders, employees, and customers understand whether RBC's initiatives are aligned with its stated racial equity commitments while ensuring that the bank's business activities falling outside the Action Plan do not discriminate against people of colour and Indigenous people.

Racial equity audits have proven to be effective risk mitigation tools as they help manage material legal, financial, regulatory, and reputational business risks by identifying, prioritizing, remedying, and avoiding adverse impacts on communities of colour and Indigenous people beyond the workplace.

At RBC's 2023 annual meeting, 42% of votes were cast in favour of a third-party racial equity audit. However, in contrast with a number of its US and Canadian peers, RBC has not confirmed its intention to conduct this assessment.

We urge RBC to assess its business activities through a racial equity lens in order to obtain a complete picture of how it contributes to and could help dismantle systemic racism.

1. <https://www.bankofcanada.ca/wp-content/uploads/2023/10/sdp2023-22.pdf>
2. https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Financial_Inclusion_in_British_Columbia_Evaluating_the_Role_of_Fintech.pdf
3. <https://www.canada.ca/en/financial-consumer-agency/programs/research/mystery-shopping-domestic-retail-banks.html>
4. <https://www.justice.gov/opa/pr/justice-department-secures-over-31-million-city-national-bank-address-lending-discrimination>
5. <https://www.latimes.com/california/story/2023-01-12/city-national-bank-redlining-settlement>
6. <https://www.cbc.ca/news/business/banks-racial-discrimination-report-1.6473715>
7. <https://ottawa.ctvnews.ca/rbc-client-accusing-bank-of-racism-after-police-called-to-investigate-transaction-1.6577256>
8. <https://www.cbc.ca/news/canada/saskatoon/land-defenders-climate-activists-rally-downtown-1.6803576>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Racial Equity Audit

GEO Group Inc.

RESOLVED that shareholders of The GEO Group Inc. (“GEO”) urge the Board of Directors to oversee an independent third-party racial equity audit analyzing GEO’s adverse impacts on nonwhite stakeholders and communities of color and GEO’s plans to mitigate any such impacts. Input from civil rights organizations, criminal justice experts, and employees should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be disclosed on GEO’s website.

SUPPORTING STATEMENT: Several aspects of GEO’s business and operations suggest that a racial equity audit would be useful. In opposing this proposal last year, GEO emphasized that a substantial proportion of its workforce is nonwhite. This proposal does not aim to obtain diversity data, though; instead, it asks GEO to analyze its entire operation through a racial equity lens to identify adverse racial impacts.

People of color are disproportionately represented in private low and medium security facilities at least in part because contracts tend to exclude elderly and ill inmates who are more likely to be white.¹ Immigration enforcement, which has been called “racial discrimination by proxy,”² plays a key role for GEO, with 43.9% of 2022 revenues derived from contracts with Immigration and Customs Enforcement.³ There is reason to believe that GEO’s operation of immigration detention facilities has racially adverse impacts. For example, GEO’s Aurora immigration detention facility has been the subject of recent administrative complaints, including one alleging that guards made racially derogatory remarks and used excessive force against two black detainees⁴ and another alleging misuse of solitary confinement.⁵

A racial equity audit could also examine whether GEO’s political activities have a negative racial impact. According to Open Secrets, in the 2022 and 2024 election cycles, GEO’s political action committee contributed to Members of Congress who objected to certifying the 2020 election results,⁶ an action some viewed as “a direct attack on the voting rights of people of color.”⁷ In 2022, GEO spent over \$900,000 lobbying at the federal level⁸ and paid lobbyists in 18 states.⁹ GEO states that it has not “advocated for or against, nor have we played a role in setting, criminal justice, or immigration enforcement policies, such as whether to criminalize behavior, the length of criminal sentences, or the basis for or length of an individual’s incarceration or detention.”¹⁰ While that approach avoids the most obvious conflicts of interest, GEO may still take positions on other matters that are harmful to nonwhite stakeholders and communities of color.

Finally, an independent audit would provide objectivity, assurance and specialized expertise beyond what would be possible with an internal analysis. We urge GEO to assess its behavior through a racial equity lens to identify how it contributes to systemic racism, and how it could begin to help dismantle it.

1. journal.radicalcriminology.org/index.php/rc/article/view/44/html
2. scholarship.law.uci.edu/cgi/viewcontent.cgi?article=1044&context=ucilr, n.5
3. https://www.sec.gov/Archives/edgar/data/923796/000095017023004713/geo-20221231.htm#item_1_business, at 31.
4. coloradosun.com/2022/04/14/aurora-detention-center/
5. https://www.americanimmigrationcouncil.org/sites/default/files/research/misuse_of_solitary_confinement_in_colorado_immigration_detention_center_complaint.pdf
6. See www.opensecrets.org/orgs/geo-group/recipients?id=D000022003 (contributions); www.vox.com/2021/1/6/22218058/republicans-objections-election-results (election objectors).
7. See www.nytimes.com/2021/01/15/us/politics/lankford-apology-election-biden.html; www.marketwatch.com/story/business-leaders-call-for-action-on-trump-after-mob-siege-at-capitol-11609976655
8. [https://www.opensecrets.org/federal-lobbying/clients/summary?id=D000022003](http://www.opensecrets.org/federal-lobbying/clients/summary?id=D000022003)
9. www.followthemoney.org/entity-details?eid=1096
10. [https://www.geogroup.com/Portals/0/GEO_2022_Political_Activity_and_Lobbying_Report.pdf](http://www.geogroup.com/Portals/0/GEO_2022_Political_Activity_and_Lobbying_Report.pdf), at 1.

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Racial Equity Audit

Valero Energy Corporation

RESOLVED that shareholders of Valero Energy Corporation (“Valero”) urge the Board of Directors to oversee an independent third-party racial equity audit analyzing Valero’s impacts on nonwhite stakeholders and communities of color and Valero’s plans, if any, to mitigate those impacts. Input from civil rights organizations, experts on environmental racism, and employees should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Valero’s website.

SUPPORTING STATEMENT: Several aspects of Valero’s business and operations suggest that a racial equity audit would be useful. In 2020, the Office of Federal Contract Compliance Programs found that a Valero subsidiary had used an employment selection processes with an adverse impact on nonwhite applicants.¹

Valero’s Environmental Justice Policy Statement asserts that Valero “strives to operate as a good neighbor, and looks for opportunities to work with local officials and directly with fence line neighbors to improve the quality of life for neighbors and communities.”² But Valero has come under fire for polluting communities of color:

- Residents have fought to limit a Texas refinery’s emissions of hydrogen cyanide, a neurotoxin, in Hispanic neighborhoods.³
- The neighborhood in which another Texas refinery is located, which is 90% African American, “ranks above the 95th percentile nationally for both the EPA’s air toxics cancer risk and respiratory hazard metrics.”⁴
- As You Sow’s Racial Justice Scorecard for S&P 500 companies placed Valero in the bottom 10, with negative scores on the environmental racism performance indicators, meaning that it harms communities of color more than benefits them.⁵

A racial equity audit could also examine whether Valero’s political activities have a negative racial impact. In 2019, Valero and the American Fuel and Petrochemical Manufacturers (“AFPM”), to which Valero belongs,⁶ lobbied states to criminalize pipeline protests.⁷ Valero contributed 2020 election results,⁸ an action some viewed as “a direct attack on the voting rights of people of color.”⁹

Last year, Valero argued that two reports it had issued, a “Racial Equity Assessment” and “Audit of Valero’s Environmental Justice Commitments and Actions,” obviated the need for a racial equity audit. Neither of those reports was produced by a firm that is clearly independent from Valero: The Assessment was produced by a partner in a law firm that has represented Valero for at least 10 years in securities offerings, transactions, and litigation.¹⁰ Montrose Environmental Group, which conducted the Audit, was a “diamond sponsor” of a recent Valero charity fundraiser and will reprise that role in 2024,¹¹ suggesting that it does or hopes to do business with Valero. While the Assessment focuses on Valero’s public processes, commitments and positions, a racial equity audit would analyze Valero’s actual behavior.

1. <https://www.dol.gov/sites/dolgov/files/ofccp/foia/files/2020-03-25Valero-CA-SW-Redacted.pdf>
2. https://s23.q4cdn.com/587626645/files/doc_downloads/2021/09/Environmental-Justice-Policy-Statement.pdf
3. <https://www.sierraclub.org/texas/blog/2020/08/houston-community-continues-fight-against-valero-for-polluting-air-hydrogen>
4. <https://www.greenpeace.org/usa/valero-energy-blocking-climate-solutions-taking-handouts/>
5. <https://www.asyousow.org/press-releases/2021/8/11/environmental-racism-metrics-as-you-sow-racial-justice-scorecard>
6. https://esg.investorvalero.com/wp-content/uploads/2023/09/Trade-Associations_FINAL_07-01-22-to-06-30-2023.pdf
7. <https://theintercept.com/2019/08/19/oil-lobby-pipeline-protests/>
8. <https://www.cnn.com/interactive/2021/01/business/corporate-pac-suspensions/>
9. See <https://www.nytimes.com/2021/01/15/us/politics/lankford-apology-election-biden.html>; <https://www.marketwatch.com/story/business-leaders-call-for-action-on-trump-after-mob-siege-at-capitol-11609976655>
10. E.g., <https://www.bakerbotts.com/news/2021/12/baker-botts-represents-valero-energy-corporation-in-billion-dollar-senior-notes-offering>; <https://www.sec.gov/Archives/edgar/data/1583103/000158310313000013/exh81-formofopinionofbaker.htm> https://www.epa.gov/sites/default/files/2017-12/documents/court_document_us_app_cadc_17-1259_12.12.2017_petition_for_review.pdf
11. <https://valerotexasopen.com/benefit-for-children/sponsors>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Racial Equity Audit

Walmart Stores, Inc.

RESOLVED: Shareholders request Walmart Inc. ("Walmart" or the "Company") conduct a third-party, independent racial equity audit analyzing Walmart's adverse impacts on Black, Indigenous and People of Color (BIPOC) communities, and to provide recommendations for improving the company's racial equity impact. Input from employees, customers, and racial justice, labor, and civil rights organizations should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on Walmart's website.

SUPPORTING STATEMENT: The harmful impacts of systemic racism on BIPOC communities are a major focus of policymakers, media, and the public. While Walmart has made charitable contributions¹ and statements of solidarity with communities of color, it must do more to address significant adverse impacts of its policies and practices on those communities.

Several aspects of Walmart's business suggest a racial equity audit would help mitigate reputational, regulatory, legal, and human capital risk. In recent years, Walmart has faced negative media coverage related to claims of discrimination including racial profiling² and discriminatory hiring, recruitment³ and promotion practices.⁴ Walmart is also subject to criticism for poor working conditions⁵ and paying low wages⁶. The Company does not disclose median or adjusted racial pay gaps.

By Walmart's own disclosures, it is clear more can be done to address racial inequality in its workforce. The Company reports that people of color comprise 49% of its U.S. workforce but make up only 28% of its U.S. Officers and 18% of its Board of Directors.⁷ As the largest private employer in the United States, it is imperative that Walmart ensure its policies and practices do not have adverse impacts on its BIPOC employees.

Political spending and lobbying may have adverse racial impacts. Between 2022 and 2023, the National Retail Federation (NRF), the industry trade association to which Walmart belongs, spent over \$16.7 million on lobbying⁸, and Walmart spent \$11.2 million over the same period.⁹ NRF's policy priorities include weakening the SEC's CEO pay ratio disclosure requirement¹⁰ and repeal of the employer mandate requiring large companies to provide health coverage to full-time workers,¹¹ which may disproportionately affect BIPOC workers and stakeholders.

Given the demographics of Walmart's hourly workforce, shareholders want to ensure Walmart is not contributing to or exacerbating broader racial inequities. Failure to effectively address racial inequities in its operations exposes stakeholders, including employees, to unacceptable abuses and exposes Walmart to risks that may ultimately affect shareholder long-term value.

A racial equity audit would help Walmart identify, prioritize, remedy and avoid adverse impacts on nonwhite stakeholders and communities of color. We urge Walmart to assess its behavior through a racial equity lens in order to obtain a complete picture of how it contributes to, and could help dismantle social and economic inequality.

1. <https://corporate.walmart.com/esgreport/esg-issues/diversity-equality-inclusion>
2. <https://www.npr.org/2022/08/25/1119385178/walmart-oregon-settlement-racial-profiling>
3. <https://www.npr.org/local/309/2019/04/22/716144085/complaints-allege-racist-hiring-practices-at-walmart-warehouse>
4. <https://www.forbes.com/sites/edwardsegal/2022/02/11/walmart-is-sued-for-gender-and-race-discrimination-by-eec/>
5. <https://www.msn.com/en-us/money/companies/employees-expose-dangerous-walmart-working-conditions/ar-AAZS4X8>
6. <https://www.theguardian.com/business/2021/oct/28/walmart-pay-hourly-low-wages-working-conditions>
7. <https://corporate.walmart.com/esgreport/esg-issues/diversity-equality-inclusion>
8. <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2022&id=D000000741> and <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2023&id=D000000741>
9. <https://www.opensecrets.org/Lobby/clientsum.php?id=D000000367&year=2022> and <https://www.opensecrets.org/Lobby/clientsum.php?id=D000000367&year=2023>
10. <https://nrf.com/sec-pay-ratio>
11. <https://nrf.com/hill/policy-issues/health-care-reform>

Racial Equity Audit

AT&T Inc.

RESOLVED: Shareholders urge the Board of Directors to commission a third-party, independent racial equity audit analyzing AT&T Inc.'s impacts on Black, Indigenous, and People of Color (BIPOC) communities. Input from racial justice and civil rights organizations and employees, temporary vendors, and contractors should be considered in determining specific matters to be analyzed. A report on the audit, prepared at a reasonable cost and omitting confidential and proprietary information, should be published on AT&T's website.

WHEREAS: The harmful and often deadly impacts of systemic racism on BIPOC communities are a major focus of policymakers, media, and the public. AT&T has made investments in and statements of solidarity with communities of color. However, some of AT&T's business practices suggest a racial equity audit could help mitigate reputational, regulatory, legal, and human capital risk.

AT&T's commitment to racial justice has been called into question because of some of its practices. For instance, Salon noted that "Corporations like AT&T, Target and Starbucks have embraced racial-justice rhetoric, while funneling money to police." Salon cited AT&T's support for police foundations and the National Sheriff's Association (NSA) as examples of this disconnect, given growing evidence that many police departments demonstrate not only implicit bias but outright racism.¹ AT&T also faced scrutiny over its support for candidates promoting voter suppression efforts, which disproportionately impact BIPOC populations.²

In addition, concerns have been raised about the delivery of AT&T's internet services to communities of color. Research by The Markup found that AT&T frequently provides a significantly lower quality of service in predominantly BIPOC communities for the same cost as the much better service provided in predominantly white communities.³ Lack of access to reliable internet services can impact education, employment, and banking opportunities. As the ACLU has observed, "Adults living without broadband face significant barriers in accessing employment, education, and other necessities."⁴

AT&T has faced other controversies because of practices that disproportionately impact BIPOC communities including a work stoppage related to its treatment of Black workers.⁵ Furthermore, AT&T has allegedly retaliated against employees who flagged issues of discrimination.⁶ In September 2023, for instance, a former AT&T employee filed a complaint in the Southern District Court of Ohio alleging that she was fired after reporting a racist death threat.⁷

Allowing racial inequities to persist is deeply harmful to BIPOC communities, is bad for diversified investors given the high cost of racism to the economy, and could expose the company to significant risks. It is also simply the wrong thing to do.

Executives at peer companies have affirmed the usefulness of racial equity audits, as have civil rights organizations. Leading companies are increasingly recognizing the importance of undertaking independent racial equity audits. Citigroup, Blackrock, Johnson & Johnson, JPMorgan Chase, Wells Fargo, Alphabet, and Apple are among the many companies that have conducted or committed to conduct independent racial equity audits. We urge AT&T to join them.

1. <https://www.salon.com/2021/04/27/as-big-corporations-strike-a-pose-for-racial-justice-they-keep-on-funding-the-police/>
2. <https://www.brennancenter.org/our-work/research-reports/impact-voter-suppression-communities-color>
3. <https://themarkup.org/still-loading/2022/10/19/dollars-to-megabits-you-may-be-paying-400-times-as-much-as-your-neighbor-for-internet-service>
4. <https://www.aclu.org/news/privacy-technology/how-broadband-access-hinders-systemic-equality-and-deepens-the-digital-divide>
5. <https://cwa-union.org/news/releases/cwa-members-spotlight-atts-pattern-of-discriminatory-behavior-in-memphis-protest>
6. <https://www.commercialappeal.com/story/news/local/2019/12/17/at-t-noose-black-manager-discrimination-lawsuit/2667388001/>
7. <https://www.nbc4i.com/news/investigates/former-top-att-employee-says-she-was-fired-after-reporting-racist-death-threat/>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Racial Equity Audit

Wendy's International, Inc.

RESOLVED CLAUSE: Shareholders request the Board of Directors of Wendy's Corporation to undertake and publicly disclose the findings of an independent Racial Equity Audit, above and beyond legal and regulatory matters (and at a reasonable cost and omitting proprietary information), evaluating practices and policies across the entire value chain. At the Board's discretion, the audit should include assessing impacts on restaurant franchise employees, farmworkers and greenhouse workers in the produce supply chain, and communities of color in the areas where the company operates and should include input from civil rights organizations, employees, and customers, focusing on identifying systemic risks at all operational levels..

WHEREAS CLAUSE: Racial inequity is a systemic risk that threatens society and the economy.¹ Companies that fail to correct policies, practices, and operations deemed to be racist, discriminatory, or furthering inequities face legal, financial, reputational, and human capital management risks. While Wendy's has made commitments around Diversity, Equity, and Inclusion, the Company has failed to address significant civil rights impacts from the highest levels of corporate governance to the on-the-ground conditions of supplier operations, including the farms and greenhouses throughout the value chain. For example, Wendy's faces a lawsuit alleging racial harassment of a Black general manager in training, highlighting concerns about the effectiveness of workplace policies in preventing racial discrimination.² There are racial disparities between hourly restaurant workers and salaried corporate employees. Whereas nearly 70% of Wendy's restaurant crew are nonwhite, only approximately 28% of Wendy's management and 23% of corporate leadership are people of color.³

It is widely recognized that hired farmworkers, who are predominantly from racial minority populations, face structural racism, which is associated with physical and mental health inequities.⁴ Yet Wendy's notably lacks transparency on how it incorporates racial equity into its Supplier Code of Conduct and traceability programs, especially at the farm and greenhouse levels, to ensure equitable treatment and protect against human rights abuses and health and safety violations throughout its supply chain.⁵ Mastronardi Produce, a reported Wendy's supplier,⁶ recently agreed to pay \$178,000 to settle class action claims by farmworkers of wage violations and pesticide safety violations.⁷ Wendy's 2021 People & Ethics report admitted that it "did not institute any new requirements specific to COVID-19" to protect farmworkers in its supply chain from a deadly pandemic that disproportionately harms the mostly Brown and Black workers who harvest the food we all eat.⁸

Shareholders urge Wendy's to conduct a racial equity audit to identify, prioritize, remedy and avoid adverse impacts on communities of color and stakeholders throughout the value chain. We urge Wendy's to assess its behavior through a racial equity lens in order to obtain a complete picture of how it contributes to, and could help dismantle, systemic racism, thereby reinforcing the company's commitment to racial equity and aligning its practices with the expectations of a diverse and ethically-minded investor, workforce, and consumer base.

1. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/racial-inequity-a-systemic-risk-8211-state-street-global-advisors-ceo-62047105>; <https://tiipproject.com/wp-content/uploads/2023/06/TIIP-RacialEquityBrief-6-14-23-FINAL-Submitt.ed.pdf>
2. <https://www.mlive.com/news/kalamazoo/2022/02/wendys-violated-civil-rights-of-black-employee-who-was-targeted-with-racial-slur-lawsuit-alleges.html>
3. https://www.wendys.com/sites/default/files/2021-04/People_0.pdf
4. <https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2022.307166>; <https://www.cambridge.org/core/journals/journal-of-law-medicine-and-ethics/article/abs/structural-racism-and-health-disparities/DAA32EAF45A777AEFF379C26E83AEEB5>
5. <https://www.epi.org/press/70-of-all-investigations-in-agriculture-detected-violations-of-federal-wage-and-hour-laws-and-farm-labor-contractors-are-the-biggest-violators-policymakers-must-do-more-to-protect-farmworkers-and-hol/>
6. <https://www.thenation.com/article/society/farming-labor-contractors-coronavirus/>
7. Lopez et al. v. Mastronardi Produce-USA, Inc. et al., Settlement approval order, August 14, 2023
8. https://s1.q4cdn.com/202642389/files/doc_downloads/report-and-resources/Wendys-People-Ethics-Designed-12.3.21.pdf; <https://www.ers.usda.gov/topics/farm-economy/farm-labor/#demographic>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Civil Rights Audit

Marriott International, Inc.

RESOLVED: Shareholders urge the board of directors to oversee a third-party audit (within a reasonable time and cost) which assesses and produces recommendations for improving the civil rights impact of its policies, practices, products, and services. Input from stakeholders, including civil rights organizations, employees, and customers, should be considered in determining the specific matters to be assessed. A report on the audit, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company's website.

In 2020, Marriott published a statement affirming, "We believe racism should be eradicated" and states on its website that "Diversity and inclusion is fundamental to our core values and strategic business goals."¹ Though Marriott has initiatives to address discrimination, its current actions may be insufficient to address controversies involving the company.

Marriott is connected to allegations of employment discrimination. In September 2022, the Department of Labor found that a resort operated by Marriott in Tennessee discriminated against 250 Black, Asian, and female job applicants for housekeeping roles during 2018-2020.² Marriott agreed to pay \$630,732 in back wages and to offer jobs to 49 affected people without admitting nor denying wrongdoing. In September 2023, Marriott was ordered to pay \$20 million in damages to an employee after a jury found that reasonable disability accommodations were not made.³

The alleged culture of discrimination may also affect customers. In July 2022, a Marriott patron received an invoice with an anti-Asian slur after a stay in Pennsylvania. The patron claimed that Marriott distanced itself from the incident because it occurred at a franchise and suggested the slur was a "clerical error."⁴ Current company reporting is not clear on how Marriott addresses controversies around alleged discrimination involving employees or customers.

Marriott's association with the alleged predatory lending of the Marriott Employees' Federal Credit Union (MEFCU) also raises concerns. While MEFCU operates as a separate entity, its products, available through Marriott's human resources offices, have been flagged for unusually high fees compared to peer institutions. Workers allegedly use "Mini Loans," which have an effective rate of 46 percent inclusive of the application fee and 18 percent interest rate, to afford basic living expenses when Marriott's fluctuating hours result in insufficient income.⁵ After a class action lawsuit was filed against MEFCU in 2018, the case was settled in 2020 with MEFCU denying wrongdoing.⁶ We believe that the combination of unstable schedules and providing access to high-interest loans likely perpetuates the cycle of poverty and racial inequality.

A civil rights audit would help Marriott identify, prioritize, remedy and avoid adverse impacts on marginalized communities and assist the company in effective resource allocation, while giving shareholders assurance that Marriott has adequate controls to address controversies that present risks.

1. <https://news.marriott.com/news/2020/06/18/we-stand-against-racism>
2. <https://www.dol.gov/newsroom/releases/ofccp/ofccp20220927>
3. <https://www.cbsnews.com/sanfrancisco/news/jury-orders-san-francisco-marriott-marquis-to-pay-20-million-in-disability-lawsuit/>
4. <https://news.yahoo.com/brooklyn-couple-receives-marriott-hotel-183018593.html>
5. <https://www.demos.org/sites/default/files/publications/How%20Marriotts%20Corporate%20Practices%20Fuel%20Growing%20Racial%20Inequality%20in%20America.pdf>
6. <https://www.cutimes.com/2020/08/11/credit-union-settles-members-class-action-lawsuit-for-215000/>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Amendments to the Code of Ethics

Netflix, Inc.

RESOLVED: Shareholders urge the Board of Directors of Netflix, Inc. to amend the publicly available Code of Ethics by expanding the topic “Inclusive & Respectful Work Environment” and to issue a report to shareholders, at reasonable expense and excluding confidential information, on how the Board of Directors of Netflix, Inc. checks and verifies board member compliance with the amended Code of Ethics (including outside of their roles as Netflix board members).

SUPPORTING STATEMENT: The amendments of the Code of Ethics of Netflix, Inc. should entail the following:

- Details on the grounds of discrimination (e.g., religion, sex, gender identity or expression, age, national or ethnic origin, citizenship status, disability or any other characteristic protected under law) and aspects of employment (e.g., recruitment, compensation, demotion or transfer, promotions, and terminations),
- A definition and/or examples of harassment (in terms of what constitutes harassment and abusive behavior), and,
- Details on how whistleblowers are protected against retaliation (e.g., in the form of termination, demotion, threats, discrimination and/or harassment) for raising a concern in good faith.

WHEREAS: Netflix is known for their remarkable track record regarding representation, visibility, and empowerment for underrepresented groups in their productions (see findings of the Annenberg Inclusion Initiative¹).

Nonetheless, female representation on their board is lower than in other roles (33% in 2023², compared to 49.6% in overall workforce and 51.4% and 43.5% in (senior) leadership—as reported in their 2022 Netflix Environmental Social Governance Report³).

We appreciate that Netflix has updated their publicly disclosed Code of Ethics. However, the most recent version⁴ still does not cover key issues in sufficient detail that are of particular concern regarding promoting diversity, equity, and inclusion (DEI) on board level, namely, non-discrimination, equal opportunities, and zero tolerance towards harassment as well as a robust whistleblower protection. Detailed policies are essential to set clear expectations to empower those affected to address concerns.

As a media company, Netflix is facing increased scrutiny regarding the concerns addressed by the #MeToo movement, in particular, sexual abuse or sexual harassment. Renowned media organizations such as the New York Times⁵, Financial Times⁶ and Der Spiegel⁷ reported on allegations against board member Mathias Döpfner about tolerating abusive behavior by a top manager in his role as chairman and CEO of Axel Springer.

Embracing and driving DEI on screen and behind the camera is a key selling point for Netflix. Given the allegations in the media, we fear that having an insufficient Code of Ethics to monitor board members’ compliance could obstruct an environment that allows for DEI to flourish at top level. This may have negative long-term impacts on the culture and reputation of Netflix, and as shareholders, we see risks for Netflix as a brand: from losing credibility and customers, to failing to attract key talent to forfeiting relevant productions by alienating actors, directors, and producers from diverse backgrounds.

1. <https://annenberg.usc.edu/news/research/new-annenberg-inclusion-initiative-report-identifies-areas-inclusion-netflix-content>
2. <https://ir.netflix.net/governance/Leadership-and-directors/default.aspx>
3. https://s22.q4cdn.com/959853165/files/doc_downloads/2023/06/29/Netflix_2022-ESG-Report-FINAL.pdf
4. https://s22.q4cdn.com/959853165/files/doc_downloads/2023/09/netflix-code-of-ethics-9-6-2023.pdf
5. <https://www.nytimes.com/2021/10/17/business/media/axel-springer-bild-julian-reichelt.html>
6. <https://www.ft.com/content/0317edd2-cf37-4d32-9e03-e7288904126c>
7. <https://www.spiegel.de/wirtschaft/der-fall-julian-reichelt-axel-springer-ein-konzern-im-skandalumpf-a-81679100-245e-41f4-a0db-f2b19ad023a6>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Workplace Culture: Concealment Clauses

Goldman Sachs Group Inc.

RESOLVED: Shareholders request the Board of Directors oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of The Goldman Sachs Group, Inc.'s (Goldman Sachs) efforts to prevent harassment and discrimination against its protected classes of employees. In its discretion, the Board may wish to consider including disclosures such as:

- the total number and aggregate dollar amount of disputes settled by the company related to abuse, harassment, or discrimination in the previous three years;
- the total number of pending harassment or discrimination complaints the company is seeking to resolve through internal processes, arbitration, or litigation;
- the retention rates of employees who raise harassment or discrimination concerns, relative to total workforce retention; the aggregate dollar amount associated with the enforcement of arbitration clauses;
- the number of enforceable contracts for current or past employees which include concealment clauses, such as non-disclosure agreements or arbitration requirements, that restrict discussions of harassment or discrimination; and
- the aggregate dollar amount associated with such agreements containing concealment clauses.

This report should not include the names of accusers or details of their settlements without their consent. It should be prepared at a reasonable cost and omit any information that is proprietary, privileged, or violative of contractual obligations.

SUPPORTING STATEMENT: In 2021, after receiving majority support for a shareholder resolution requesting they do so, Goldman released a report reviewing its mandatory arbitration requirement for employee harassment or discrimination claims. In light of that review, the Board decided that "employees who assert a claim of sexual harassment in an arbitration will have the option to waive confidentiality as to the arbitration decision."¹ The firm did not release other protected classes from this confidentiality obligation.

Investor concerns related to Goldman's treatment of its employees by race, ethnicity, and other protected class remained unaddressed. Black individuals comprise 13.6 percent of the United States' population² but only 3.4 percent of Goldman's executive and management teams.³ This representation percentage has remained static over time, only increasing by 0.31 percent since 2020⁴, the first year for which this data was available.

Given the company's ongoing use of non-disclosure agreements and mandatory arbitration, which conceal from external audiences internal culture challenges, the extent to which race-based harassment and discrimination exists within Goldman is unknown.

There have been several high-profile derivative suits settled, including at Twentieth Century Fox, Wynn Resorts, and Alphabet, alleging boards breached their duties by failing to protect employees from discrimination and harassment, injuring the companies and their shareholders.

Civil rights violations within the workplace can result in substantial costs to companies, including fines and penalties, legal costs, costs related to absenteeism, reduced productivity, challenges recruiting, and distraction of leadership. A company's failure to properly manage its workforce can have significant ramifications, jeopardizing relationships with customers and other partners.

A public report such as the one requested would assist shareholders in assessing whether the Company is improving its workforce management.

1. <https://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/report-on-review-of-arbitration-program.pdf>
2. <https://www.census.gov/quickfacts/fact/table/US/PST045222>
3. <https://www.goldmansachs.com/our-commitments/sustainability/2022-people-strategy-report/multimedia/report.pdf>
4. <https://www.goldmansachs.com/our-commitments/sustainability/sustainable-finance/documents/reports/2020-sustainability-report.pdf?source=website>

Proxy Resolutions: Diversity and Racial Justice

For the full list of investors who filed this resolution, see the Index on p. 244.

Workplace Culture: Concealment Clauses

Tesla Inc.

A similar resolution was submitted to The Coca-Cola Company

RESOLVED: Shareholders request the Board of Directors oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of Tesla, Inc.'s (Tesla) efforts to prevent harassment and discrimination against its protected classes of employees. In its discretion, the Board may wish to consider including disclosures such as:

- The total number and aggregate dollar amount of disputes settled by the company related to abuse, harassment or discrimination in the previous three years;
- The total number of pending harassment or discrimination complaints the company is seeking to resolve through internal processes, arbitration, or litigation;
- The retention rates of employees who raise harassment or discrimination concerns, relative to total workforce retention;
- The aggregate dollar amount associated with the enforcement of arbitration clauses;
- The number of enforceable contracts for current or past employees which include concealment clauses, such as non-disclosure agreements or arbitration requirements, that restrict discussions of harassment or discrimination; and
- The aggregate dollar amount associated with agreements containing concealment clauses.

This report should not include the names of accusers or details of their settlements without their consent and should be prepared at a reasonable cost and omit any information that is proprietary, privileged, or violative of contractual obligations.

Tesla states "Tesla has a zero-tolerance policy for harassment of any kind, and we have always disciplined and terminated employees who engage in misconduct, including those who use racial slurs or harass others in different ways."¹

Yet, there have been numerous serious allegations of racial or sexual harassment and discrimination at Tesla. As of November 21, 2023, these include, but are not limited to:

- The U.S. Equal Employment Opportunity Commission filed a lawsuit claiming that, Black employees at Tesla's Fremont, California, manufacturing facilities "have routinely endured racial abuse, pervasive stereotyping, and hostility."²
- 240 Black factory workers have filed testimonies in California's Alameda County Superior Court seeking class action status for alleged racial discrimination.³
- The California Department of Fair Employment and Housing sued Tesla after receiving hundreds of complaints; DFEH alleges that employees were subjected to racial slurs; "segregated" and discriminated against in job assignments, pay, and promotion; and faced retaliation when they reported their experiences.⁴

There have been several high-profile derivative suits settled including at Twentieth Century Fox, Wynn Resorts, and Alphabet, alleging boards breached their duties by failing to protect employees from discrimination and harassment, injuring the companies and their shareholders.

Civil rights violations within the workplace can result in substantial costs to companies, including fines and penalties, legal costs, costs related to absenteeism, reduced productivity, challenges recruiting, and distraction of leadership. A company's failure to properly manage its workforce can have significant ramifications, jeopardizing relationships with customers and other partners.

A public report such as the one requested would assist shareholders in assessing whether the Company is improving its workforce management.

1. https://www.sec.gov/Archives/edgar/data/1318605/000156459022024064/tsla-def14a_20220804.htm
2. <https://www.eeoc.gov/newsroom/eeoc-sues-tesla-racial-harassment-and-retaliation>
3. <https://apnews.com/article/tesla-racism-black-lawsuit-class-action-21c88bddf60eca702560be58429495de>
4. <https://qz.com/2126548/why-is-california-suing-tesla/>

Environmental Health

Since the early 1970s, ICCR's members have pressed companies to prevent and/or remediate their negative environmental impacts. Shareholder proposals regularly address biodiversity impact, plastic and packaging pollution, pesticides and antibiotic resistance, as well as the human and environmental health harms of chemicals of concern. Increasingly there is significant intersection with investor advocacy on racial justice and human rights, work that collectively emphasizes the importance of respecting the rights of all stakeholders.

ICCR members filed 31 environmental health proposals this year, the majority of which dealt with reducing plastic pollution.

Environmental Justice

Environmental racism is a systemic risk at the intersection of environmental degradation, the climate crisis and racial injustice. In 2021, the Environmental Protection Agency found that "nearly all emission sectors cause disproportionate exposures for people of color". Corporate failure to adequately assess and mitigate impacts on nearby "fence-line" communities can result in litigation, project delays, and substantial fines. Legislative pressure is building; in 2020 New Jersey enacted a bill requiring impacts on overburdened communities to be a deciding factor in industrial permitting decisions, joining California, Pennsylvania, and Illinois, which have already adopted similar environmental justice legislation.

ICCR members asked Becton Dickinson to assess its efforts to identify and reduce heightened health and environmental impacts from its operations on adjacent communities of color and low-income communities.

Environmental Health	31
Proposal Topic	Quantity
For the full list of investors who filed these resolutions, see p. 244.	
Circular Economy for Packaging	5
Impact of Reduced Plastics Demand on Financial Assumptions	4
Biodiversity Impact Assessment	3
Deep Sea Mining Disclosure	2
Environmental Justice Assessment	2
Public Health Costs of Antimicrobial Resistance	2
Reduce Plastics Use	2
Disclose Risks of Pesticide Use in Agricultural Supply Chains	1
Environmental and Health Risks Associated with Chemicals in Company Products	1
Environmental Justice Audit	1
Measuring Pesticide Use in Agricultural Supply Chains	1
Phase Out Routine Medically Important Antibiotics Use in Supply Chain	1
Plan to Reduce Plastic Production	1
Producer Responsibility for Cigarette Butts	1
Reduce Microfiber Pollution	1
Report on Guyana Oil Spill Economic, Human and Environmental Impacts	1
Report on Risk of Environmentally High-Risk Projects	1
Sustainability Reporting	1

Investors asked Honeywell and American Water Works to commission third-party audits to assess the racial impacts of their operations, with recommendations for improving them above and beyond legal and regulatory matters, incorporating input from all stakeholder groups.

A similar climate-focused resolution submitted to Goldman Sachs is discussed in the Climate section, which starts on page 19.

Deep Sea Mining Disclosure

The need for a rapid transition to green energy has led to a boom in the solar and electric vehicles (EV) industries over the past decade. The materials crucial to those industries—including lithium, cobalt and graphite—are rare or otherwise difficult to source. With demand surging, some companies are now looking to tap the seafloor. Deep-sea mining would likely have catastrophic, irreversible impacts on biodiversity, fish stocks and carbon storage. Out of an abundance of caution, twenty-four governments have put in place some sort of moratorium or precautionary pause on deep-sea mining. EV manufacturers BMW, Volvo, Volkswagen, Rivian, and Renault have already committed to a global moratorium on deep-sea mining.

Investors asked Tesla to commit to a moratorium on sourcing minerals from deep-sea mining, to protect this invaluable ecosystem. GM was asked to publicly disclose its policies on the use of deep-sea mined minerals in its production and supply chains.

Reduce Microfiber Pollution

Microfibers are tiny synthetic fibers less than five millimeters in diameter that are shed from garments during clothing production, wear or washing. An estimated 200,000 to 500,000 total tons of textile microfibers enter the world's oceans annually—constituting roughly 35% of all the microplastic found in the world's oceans.

Lululemon has stated that it intends to prioritize action on microfiber shedding prevention. Investors have commended the company but ask it to go further and report on opportunities to further reduce microfiber pollution from its garments, including through advanced wastewater treatment techniques.



Circular Economy for Packaging

Laws requiring corporations to take responsibility for their packaging waste are gaining momentum, making plastic pollution and waste a growing material risk for companies. To address the plastic pollution crisis, investors are urging companies to shift their business strategies to adopt a "circular economy" for packaging and accept responsibility for the collection, sorting and recycling of packaging.

Investors asked Hershey, Hormel, Keurig Dr. Pepper, Restaurant Brands and Tyson Foods to move towards contributing to recycling infrastructure by issuing reports describing opportunities to support a circular economy for packaging at its end-of-life.

Environmental Justice Assessment

American Water Works Company, Inc.

RESOLVED: Shareholders urge the board of directors to commission an independent, third-party environmental justice assessment (within reasonable time and cost) which assesses the racial impacts of American Water Works' ("AWK") operations and produces recommendations for improving them above and beyond legal and regulatory matters. Input from stakeholders, including civil rights organizations and affected community members, should be considered in determining the specific matters for assessment. A report on the assessment, prepared at reasonable cost and omitting confidential information, should be published on the company's website.

SUPPORTING STATEMENT: Proponents suggest that the assessment and report consider

- Disparate environmental and health impacts from its operations;
- How governance and management responsibilities of environmental justice issues are allocated within the company;
- Quantitative and qualitative metrics on how environmental justice impacts inform business decisions; and
- How AWK intends to improve its policies and practices in the future.

Environmental racism is a systemic risk that exacerbates the climate crisis and racial inequities.¹

AWK reports it has "long considered the impacts and implications of decisions on overburdened communities, adopting environmental justice practices," but has not disclosed information on such impacts or practices.²

Some parties believe assessments are not warranted if there are no controversies. While we believe that it is in AWK's best interests to conduct an environmental justice assessment regardless of and to avoid controversies, it appears there are at least two unresolved controversies involving AWK.

Cahokia Heights, Illinois: Despite AWK satisfying regulatory requirements in 2023, residents continue to report drinking water that is "brown, foul-smelling, cloudy, [or with] visible particles" and do not use it out of fear of contamination.³ The city formed from a merger in 2020 which included Centreville, a city with a 93 percent Black population previously established as one of the poorest cities in the country. Described as a "textbook example of environmental racism" by the Illinois governor, Cahokia Heights' ongoing issues reflect decades of disinvestment.⁴ Marina, California: AWK's proposed desalination plant is still being appealed and has been characterized as having significant environmental justice concerns by the California Coastal Commission.⁵ Marina, where a third of the residents are low-income and many speak limited English, already contains a landfill, sewage plant, and sand mine.⁶ Environmental justice is a priority for legislators. In 2020, New Jersey, where AWK operates, enacted a landmark environmental justice bill that requires impacts on overburdened communities to be a deciding factor in industrial permitting decisions, including water services.⁷ California, Pennsylvania, and Illinois have similarly adopted environmental justice legislation that could potentially affect AWK.⁸ Moreover, the current administration has made environmental justice a priority through its Justice40 plan.

We are concerned that a "business as usual" approach could not only perpetuate racial injustice but could pose regulatory and reputational risk to the company.

1. <https://news.climate.columbia.edu/2020/09/22/climate-change-environmental-justice/>
2. https://s26.q4cdn.com/750150140/files/doc_downloads/esg_docs/2023/2021-2022-Sustainability-Report.pdf
3. <https://www.bnd.com/news/local/article281094103.html>
4. <https://www.nbcnews.com/news/us-news/raw-sewage-polluted-black-community-now-residents-are-fighting-back-n1277292>
5. <https://www.montereyherald.com/2022/12/03/desalination-cal-am-faces-tough-road-ahead-to-meet-coastal-commission-conditions/>, <https://www.latimes.com/environment/story/2022-11-18/desalination-project-wins-approval-despite-equity-concerns>
6. <https://www.latimes.com/california/story/2020-09-15/cal-am-desalination-coastal-commission-marina-california>
7. <https://dep.nj.gov/ej/law/>
8. <https://www.ncsl.org/environment-and-natural-resources/state-and-federal-environmental-justice-efforts>

Environmental Justice Audit

Honeywell International Inc.

WHEREAS: Environmental racism is a systemic risk that exacerbates the climate crisis and racial inequities.¹ Failure to adequately assess, mitigate, and remediate impacts on communities often results in litigation, project delays, and significant fines. For instance, Honeywell has reportedly incurred over \$443 million in fines since 2000, the majority of which are related to environmental offenses.² A 2022 report found that 46% of Honeywell's water pollution is located in environmental justice communities.³ Recent controversies include:

\$2 million in cleanup costs in 2022 related to lead- and arsenic-contaminated soil in South Bend, Indiana. Residents allege Honeywell has contributed to environmental racism that has "destroyed the quality of life for many, many families generationally";⁴ A \$65 million settlement against Honeywell and peers in 2022 for contaminating New York's water supply with PFOA, a long-lasting chemical associated with developmental and reproductive issues, cancer, and immunological effects;⁵ A 2022 lawsuit in Georgia alleging insufficient cleanup for PCB contamination affecting a majority-Black community that houses multiple hazardous sites. This is in addition to an \$18 million settlement in 2006 and a \$4 million settlement in 2020 for the same site;⁶

Allegations from a watchdog in October 2023 that Honeywell failed to disclose "super-pollutant" emissions to the EIA in an environmental justice community where air toxics cancer risk is in the 95th percentile nationally;⁷ and A 2020 New Jersey lawsuit alleging Honeywell knowingly polluted the environment with PCBs, a probable human carcinogen.⁸ The community surrounding the Superfund site is qualified as an "overburdened community" under the New Jersey Environmental Justice Law.⁹ Additionally, fenceline communities have criticized Honeywell for lack of effective community consultation surrounding pollution incidents, and for insufficient cleanup.¹⁰ A legacy Honeywell pollution coke smoke stack in Tonawanda, NY is linked to decades of health impacts, including elevated cancer risks, cardiopulmonary disease, and birth defects.¹¹ Community members allege they have not been adequately consulted in cleanup efforts, and Honeywell is lobbying to reclassify the site, which may result in less comprehensive remediations.¹²

Honeywell faces increasing regulatory risk as the Biden administration has made unprecedented commitments around environmental justice,¹³ and numerous states where Honeywell operates have adopted environmental justice legislation.¹⁴ An audit would help Honeywell avoid adverse impacts on environmental justice communities while reducing reputational risk and liabilities.

1. <https://time.com/6017907/climate-emergency-racial-justice/> ; <https://www.ohchr.org/en/press-releases/2021/10/confronting-climate-crisis-requires-confronting-systemic-racism-say-un>
2. <https://violationtracker.goodjobsfirst.org/parent/honeywell-international>
3. <https://peri.umass.edu/toxic-100-water-polluters-index-current>
4. <https://www.southbendtribune.com/story/news/local/2022/04/04/south-bend-racism-honeywell-remediate-lasalle-park-black-community-environment-landfill/7216689001/>
5. <https://topclassactions.com/lawsuit-settlements/medical-problems/cancer-medical-problems/residents-reach-65m-with-saint-gobain-3m-honeywell-over-tainted-water-supply/> ; <https://www.twincities.com/2022/02/05/judge-approves-65m-settlement-in-polluted-water-lawsuit/>
6. <https://prismreports.org/2020/07/03/the-georgia-town-that-was-home-to-ahmaud-arbery-has-an-environmental-racism-problem/> ; <https://thecurrentga.org/2022/12/06/city-of-brunswick-sues-over-pollution-from-honeywell-lcp-site/>
7. <https://insideclimatenews.org/news/16102023/watchdog-us-chemical-plant-isnt-reporting-climate-super-pollutants/>
8. <https://www.northjersey.com/story/news/environment/2020/11/10/honeywell-superfund-lawsuit-nj-over-edgewater-nj-and-hudson-river-contamination/6224306002/>
9. <https://www.nj.gov/dep/ej/docs/communities/bergen-edgewater-boro-maps-obc.pdf>
10. <https://indiancountrytoday.com/archive/onondaga-seek-voice-in-lake-cleanup-nation-wants-principled-negotiations>
11. https://www.justice.gov/sites/default/files/usa/o-wdny/legacy/2013/09/25/Coke_49.pdf
12. <https://www.cacwny.org/2019/07/honeywell-responsible-for-tonawanda-coke-site-remediation/>
13. <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>
14. <https://dep.nj.gov/ej/law/>



Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Environmental Justice Assessment

Becton Dickinson and Company

RESOLVED: Shareholders request that Becton Dickinson prepare and issue a report, at a reasonable cost and omitting confidential or privileged information, describing its efforts, above and beyond legal and regulatory requirements, to identify and reduce heightened health and environmental impacts from its operations on adjacent communities of color and low-income communities, including quantitative and qualitative data, how these data inform business decisions, and any efforts to strengthen policies and practices.

The report should be publicly disclosed on BD's website and should disclose, at the discretion of board and management,

- past, present, and potential future disparate health and environmental impacts from the company's operations;
- the allocation of responsibilities company-wide regarding governance and management of environmental justice issues; and
- the extent and use of consultation with affected communities.

The withdrawal agreement stipulates that the lead filer not share the resolution's full whereas clause.

Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Report on Risk of Environmentally High-Risk Projects

Granite Construction Inc.

WHEREAS: Granite Construction discloses to shareholders that:

- Granite's environmental goals include conserving natural resources and protecting water, air, land, and wildlife,
- the Company is focused on meeting or exceeding requirements of applicable environmental laws, and
- Granite recognizes the importance of engaging with impacted communities on environmental issues.¹

Granite's own materiality assessment defines these issues—air quality, environmental compliance, water use, ecological biodiversity, community engagement and consideration—as critical to the Company's business and stakeholders.² More specifically, Granite has disclosed to shareholders that upholding the Company's environmental commitments "provides a direct benefit to our clients" and "is just good business."³

However, a review of Granite's operations appears to indicate that the Company's disclosed environmental commitments to shareholders are not upheld in practice.

A chief example is Granite's actions related to its I-80 South Quarry project in Utah ("Project"). In contrast to conserving natural resources and protecting water, air, land, and wildlife, the Project would install a major industrial operation in a protected watershed area, expose nearby communities to toxic fugitive dust, excavate up to 634 acres of forest land, and displace the known presence of elk, moose, black bear, mountain lion, golden eagle, and other species.⁴

In contrast to the Company's stated goal of meeting or exceeding requirements of applicable environmental laws, Granite's partner has filed a lawsuit to weaken Salt Lake County's mining ban, which currently prevents mining in the proposed site of the Project.⁵

Further, in contrast to engaging with impacted communities on environmental issues, Granite's observable local engagements include: (a) a website accusing the local community of "alarmist ... outrageous claims,"⁶ and (b) the Company's first financial contributions to Utah state politicians since 2019, prior to the passage of a bill that added protections for gravel pit operators.⁷

To the extent that Granite's actions related to the Project are representative of how the Company's disclosed environmental commitments to shareholders are applied in practice, there are reasons to conclude that these commitments do not actually translate to the projects Granite selects and the ways those projects are executed. Given the Company's own materiality assessment of these critical issues, shareholders appear to have cause to be concerned about Granite's practices more broadly and the I-80 South Quarry project in particular.

BE IT RESOLVED: Shareholders request that the Board issue a report, at reasonable cost and excluding proprietary information, assessing the risks posed by the Project's apparent misalignment with the Company's disclosed environmental and community engagement commitments.

1. https://www.graniteconstruction.com/sites/default/files/inline-files/Keeping_Granite_Green-Environmental_Program_3.pdf

2. <https://investor.graniteconstruction.com/sites/granite-construction-v2/files/granite-2022-sustainability-report.pdf>, p.30

3. https://www.graniteconstruction.com/sites/default/files/inline-files/Keeping_Granite_Green-Environmental_Program_3.pdf

4. <https://www.utahopenlands.org/pledge-for-parleys>

5. <https://www.sltrib.com/news/environment/2022/05/17/salt-lake-county-mining/>

6. <https://parleyssq.com/what-you-should-know>

7. <https://disclosures.utah.gov/Search/PublicSearch/FolderDetails/1411814>

Circular Economy for Packaging

Hershey Company

Similar resolutions were submitted to Hormel Foods Corp. and Tyson Foods, Inc.

WHEREAS: The growing plastic pollution and packaging waste crises pose increasing risks to The Hershey Company. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce.¹ Laws to this effect have significant momentum, having been recently adopted in four U.S. states with additional legislation introduced at the state and federal level.² The European Union has already enacted a \$1 per kilogram tax on all non-recycled plastic packaging waste.³ Additionally, consumer demand for sustainable packaging is increasing.⁴

A circular economy for packaging, whereby packaging stays in the economy and out of the environment, plays an important role in a net-zero emissions world. Hershey's acknowledges that its product packaging plays a significant role in reducing its Scope 3 emissions,⁵ yet has taken insufficient action in ensuring its end-of-life packaging is recycled at scale.⁶

More than 100 leading companies have committed to promoting a circular economy for packaging by acknowledging responsibility for the collection, sorting, and recycling of packaging at end-of-life, a policy known as Extended Producer Responsibility (EPR).⁷ Hershey's cites insufficient recycling infrastructure as a barrier to setting new packaging sustainability targets, yet fails to acknowledge and act on its responsibility to improve recycling systems as other companies have done.

In the absence of legislated EPR, companies must voluntarily contribute to improve the collection and recycling of their packaging. Leading estimates find that \$17 billion is needed to modernize and expand recycling infrastructure.⁸ To meet this figure for plastics alone, companies must contribute at least \$88 for every metric ton of plastic used.⁹

Competitor Nestlé and at least 28 other major consumer goods companies make voluntary contributions to expand recycling infrastructure.¹⁰ Hershey's is not known to voluntarily contribute to help ensure its packaging never becomes waste.

Hershey's also received an "F" grade on As You Sow's recent report evaluating corporate packaging sustainability in part for its failure to financially support recycling infrastructure and endorse EPR.¹¹

Our Company could avoid regulatory, environmental, and competitive risks by adopting a circular economy approach to packaging and contributing to recycling infrastructure.

BE IT RESOLVED: Shareholders request that the Board issue a report, at reasonable expense and excluding proprietary information, describing opportunities for Hershey's to support a circular economy for packaging at its end-of-life.

SUPPORTING STATEMENT: The report should assess, at Board discretion:

- The reputational, financial, and operational risks associated with failing to promote a circular economy for packaging at its end-of-life;
- The potential to increase packaging recyclability and transition to reusable packaging; and
- Opportunities to develop policies or goals to endorse EPR and determine an appropriate level of voluntary financial contributions to recycling infrastructure.

1. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf, p. 9

2. <https://www.packworld.com/news/business-intelligence/article/22861621/extended-producer-responsibility-legislation-emerging-in-us>

3. https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/2021-2027/revenue/own-resources/plastics-own-resource_en

4. <https://www.shorr.com/resources/blog/the-2022-sustainable-packaging-consumer-report/>

5. <https://www.thehersheycompany.com/content/dam/hersey-corporate/documents/pdf/hersey-2022-esg-report.pdf>, p. 71

6. <https://www.asyousow.org/report-page/plastic-pollution-scorecard-2021-data-visualization>

7. https://ellenmacarthurfoundation.org/extended-producer-responsibility/overview?_ga=2.194255722.613184023.1673367048-710010554.1662564816&_gl=1*18c5mjb*_ga*NzEwMDAwNTU0LjE2NjI1NjQ4MTY.*_ga_V32N675KJX*MTY3MzM2NzA0OC4xNC4wLjE2NzMzNjcwNDguNjAuMC4w

8. <https://recyclingpartnership.org/paying-it-forward/>

9. <https://plasticiq.org/>

10. <https://www.asyousow.org/report-page/plastic-pollution-scorecard-2021/>, p. 17

11. <https://www.asyousow.org/report-page/plastic-pollution-scorecard-2021/>, p. 5

Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Circular Economy for Packaging

Keurig Dr. Pepper

A similar resolution was submitted to Restaurant Brands International.

WHEREAS: Without immediate and sustained new commitments throughout the plastics value chain, annual flows of plastic into oceans could nearly triple by 2040.¹

The growing plastic pollution crisis poses increasing risks to Keurig Dr Pepper (KDP). Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce.² Governments around the world are increasingly enacting such policies, including taxing corporations for single-use plastic (SUP) packaging, including new laws in Maine, Oregon, Colorado, and California.³ The European Union has banned ten common SUP pollutants and imposed a tax on non-recycled plastic packaging waste.⁴

Pew Charitable Trusts' groundbreaking study, *Breaking the Plastic Wave*, concluded that improved recycling alone is insufficient to address plastic pollution—instead, recycling must be coupled with reductions in use, materials redesign, and substitution.⁵ At least one-third of plastic use can be reduced, and reduction is the most viable solution from environmental, economic, and social perspectives.⁶

KDP recently committed to shareholders to increase use of reusable and refillable packaging(Reusables) and report a Reusables baseline assessment as part of its efforts to decrease SUPuse.⁷ KDP has failed to meet these commitments, neglecting to state in its sustainability reporting what percentage, or total number, of packages are Reusables, and omitting information on the promised launch of new Reusables pilots.

Further, KDP is reporting increases in total plastic used by more than 7% since 2019, undermining the Company's goal to reduce virgin plastic use by 20% by 2030.⁸

Competitors Coca-Cola Co. and PepsiCo have established Reusables packaging systems, with ambitious global goals for expansion. Coke has pledged to deliver 25% of beverages by volume in Reusables by 2030,⁹ and PepsiCo has committed to 20%.¹⁰ These companies are responding to consumer demand for sustainable packaging.¹¹

KDP offers refillable glass bottles in Mexico and could demonstrate a commitment to decreasing total plastic used by expanding Reusables infrastructure to the United States. KDP could mitigate environmental, financial, regulatory, and reputational risk related to plastic pollution by setting time-bound and quantifiable Reusables goals.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding proprietary information, describing the potential and options for the Company to rapidly reduce dependence on single-use plastic packaging in alignment with the findings of the Pew Report or other authoritative sources.

SUPPORTING STATEMENT: The approaches the Company evaluates in the report, at Board and management discretion, could include:

- Expanding global reuse and refill infrastructure;
- Evaluating opportunities to set timebound reuse and refill goals at the country or regional level;
- Establishing uniform methodology for the measurement of reuse and refill servings delivered; and
- Publicly disclosing Company reuse and refill metrics.

1. https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf,p.4

2. https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf,p.9

3. <https://www.packworld.com/news/sustainability/article/22419036/four-states-enact-packaging-epr-laws>

4. https://environment.ec.europa.eu/topics/plastics/single-use-plastics_en

5. https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf,p.9

6. https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf,p.10

7. <https://www.greencentury.com/keurig-dr-pepper-steps-up-efforts-to-address-single-use-plastics-in-response-to-green-century-proposal/>

8. <https://www.keurigdrpepper.com/content/dam/keurig-brand-sites/kdp/files/KDP-CR-Report-2022.pdf>, p. 56

9. <https://www.asyou sow.org/press-releases/2022/2/10/coca-cola-increase-sales-refillable-bottles>

10. <https://www.asyou sow.org/press-releases/2022/12/6/pepsi-pledges-double-zero-waste-packaging-by-2030>

11. <https://www.businessnewsdaily.com/15087-consumers-want-sustainable-products.html>

Producer Responsibility for Cigarette Butts

Altria Group, Inc.

WHEREAS: Plastic, with a lifecycle social cost at least ten times its market price, threatens the world's oceans, wildlife, and public health.¹ Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels.² Of particular concern are single-use plastics (SUPs),³ which make up the largest component of the 24-34 million metric tons of plastic ending up in waterways annually.

Cigarette filters are a form of single-use plastics. They are the most littered item globally with 4.5 trillion discarded annually, comprising 300,000 tons of potential plastic microfibers released into the environment. Cigarette filters do not biodegrade and can remain in the environment indefinitely in the form of microplastics. Discarded cigarette filters can contain more than 15,000 plastic microfibers and thousands of toxic chemicals. When cigarette filters are littered on streets and beaches, they can leach harmful pollutants into soil and water, including heavy metals and nicotine, which are toxic to fish and other sea creatures.⁴

Annual costs of cleaning up littered filters are significant: \$2.6 billion for China and \$766 million for India.⁵ Cleanup costs have traditionally been borne by taxpayers rather than the industry placing these problematic products on the market. As a producer of plastic waste, Altria must begin to take financial responsibility for the cleanup of its cigarette filter/butt waste. The European Union's Single-Use Plastics Directive imposes Extended Producer Responsibility (EPR) on tobacco producers to cover the costs of collecting and processing cigarette filters, and Denmark, France, and Spain have already imposed cleanup fees.⁶

More than 100 companies support EPR laws requiring them to finance the collection of waste packaging to keep plastics from becoming uncontrolled waste.⁷ Altria has stated its "products have an impact on the environment, and we have a responsibility to minimize that impact." U.S. EPR tobacco laws to cover the costs of collecting and treating butt filters would help address the problem and create a level playing field for manufacturers. In the interim, Altria can voluntarily contribute significant funding to U.S. state or municipal governments to help finance existing filter collection and cleanup efforts.

BE IT RESOLVED: Shareholders request the Altria Board issue a public report, at reasonable expense and excluding proprietary information, assessing the benefits to the Company of extended producer responsibility laws for spent tobacco filters for tobacco companies operating in the U.S. market.

SUPPORTING STATEMENT: The report should assess at Board discretion:

- The reputational, financial, and operational risks associated with failing to take responsibility for filter cleanup costs;
- An appropriate level of voluntary financial contributions to support state cigarette filter cleanup efforts.

1. https://www.wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf
2. <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>
3. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8>
4. <https://fingfx.thomsonreuters.com/gfx/legaldocs/gdpzqykgevw/Cigarette%20Litter%20Complaint%20filed%20copy.pdf>;
<https://www.who.int/publications/i/item/9789240051287>;
<https://oceancconservancy.org/wp-content/uploads/2023/06/ICCCharter-REDUCE-Report-2023-TFSOceanConservancy.pdf>
5. <https://www.who.int/publications/i/item/9789240051287>
6. https://www.europarl.europa.eu/doceo/document/E-9-2023-000787_EN.html#:~:text=The%20Single%2DUse%20Plastics%20Directive,incentivising%20consumers%20about%20responsible%20behaviour
7. <https://www.ellenmacarthurfoundation.org/extended-producer-responsibility/overview>

Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Impact of Reduced Plastics Demand on Financial Assumptions

Chevron Corp.

Similar resolutions were submitted to Exxon Mobil Corporation and Phillips 66.

WHEREAS: Plastic, with a lifecycle social cost at least ten times its market price, threatens the world's oceans, wildlife, and public health.¹ Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels.² Of particular concern are single-use plastics (SUPs), which makeup the bulk of the 24-34 million metric tons of plastic ending up in waterways annually.³ Without drastic action, this amount could triple by 2040.⁴

A shift from virgin plastic production is critical to reducing plastic pollution.⁵ The Environmental Protection Agency's draft strategy to prevent plastic pollution calls for a voluntary reduction in production.⁶ A robust pathway addressing plastic pollution is presented in the widely respected *Breaking the Plastic Wave* report, which found that plastic leakage into the ocean can be reduced 80 percent under its System Change Scenario (SCS), but it requires a significant absolute reduction of virgin SUPs.⁷

In response to the plastic pollution crisis and the necessity of reducing plastic production, countries and major packaging brands are beginning to drive reductions in plastic use.⁸ This will affect the plastic production supply chain. BP has recognized the potential disruption global SUP reductions could have on the oil industry, finding a global SUP ban by 2040 would reduce oil demand growth by 60 percent.⁹

Several implications of the SCS, including a one-third absolute demand reduction (mostly of virgin SUPs) and immediate reductions in new investment in virgin production, are at odds with Chevron Phillips Chemical's (CP Chem's) planned investments. CP Chem is estimated to be the 16th largest global producer of SUP-bound polymers, with 4.6 million metric tons produced in 2021. Its current business model projects rapid expansion in producing virgin plastics from fossil fuels.

As partial owner of CP Chem, Chevron faces growing risk from continued investment in virgin plastic production infrastructure. The Company also uses pyrolysis oil from waste plastic for new plastics feedstock, a process cited as inefficient, greenhouse gas-intensive, with toxic byproducts and emissions, which increases financial and reputational risk.¹⁰

RESOLVED: Shareholders request that Chevron issue a report, at reasonable cost and omitting proprietary information, addressing whether and how a significant reduction in virgin plastic demand, as set forth in *Breaking the Plastic Wave's* System Change Scenario, would affect the Company's financial position and the assumptions underlying its financial statements.

SUPPORTING STATEMENT: Proponents recommend that, at Board discretion, the report include:

- Quantification of its polymer production for SUP markets;
- A summary of existing and planned investments that may be materially impacted by the SCS; and
- Disclosure of key metrics for chemical recycling processes, including inputs, outputs/yield, energy use, carbon and waste emissions, and measures taken to ensure safe operations.

1. https://www.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf, p.15
2. <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>
3. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8>;
<https://www.minderoo.org/plastic-waste-makers-index/findings/executive-summary/>
4. <https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>
5. <https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040>
6. https://www.epa.gov/system/files/documents/2023-04/Draft_National_Strategy_to_Prevent_Plastic_Pollution.pdf, p.17
7. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf
8. <https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear>;
<https://www.businessforplastics treaty.org/>
9. <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019.pdf#page=18>
10. <https://eandt.theiet.org/content/articles/2022/11/is-chemical-recycling-greenwashing>

Impact of Reduced Plastics Demand on Financial Assumptions

Dow Inc.

WHEREAS: Plastic, with a lifecycle social cost at least ten times its market price, threatens the world's oceans, wildlife, and public health.¹ Concern about the growing impact of global plastic pollution has elevated the issue to crisis levels.² Of particular concern are single-use plastics (SUPs) which make up the bulk of the 14-million metric tons of plastic deposited in waterways annually.³ Without drastic action, this amount could triple by 2040.⁴

A significant reduction in virgin plastic demand is critical to curbing the flow of plastic waste.⁵ The leading peer-reviewed plan for plastic pollution reduction, Pew's Breaking the Plastic Wave, found that plastic leakage into oceans can be reduced by 80% under its System Change Scenario (SCS) by 2040, but requires a significant absolute reduction of virgin SUPs.⁶

While the petrochemical industry has no specific plan to reduce plastic pollution, countries and consumer brands are beginning to drive reductions in virgin plastic use and call for reduced plastic production.⁷ A global plastics treaty is being negotiated. Large SUP users including Unilever, Nestle, Walmart, and Coca-Cola, who may use Dow products, state that the top priority of a global plastics treaty should be "reduction of plastic production and use ... focusing on virgin fossil fuel-based plastic."⁸

Dow (the Company) has been cited as the third largest producer of resins bound for SUPs, resulting in 5.3 million tons of plastic waste annually.⁹ It has the fourth largest greenhouse gas emissions among top SUP petrochemical producers.¹⁰ Significant reduction in plastic demand could result in stranded assets, disrupting the petrochemical industry.¹¹ BP, for instance, has concluded that a global SUP ban by 2040 would reduce oil demand growth by 60%.¹²

A company analysis of the Pew report's SCS, discussing how significant reduction in virgin plastic demand would affect the Company's financial position, would provide shareholders with a better understanding of its demand-related risk assessment and mitigation actions. Further, risks and opportunities associated with the Investments in chemical recycling technologies to process plastic waste, which can pose safety, emissions, and efficiency concerns, need to be disclosed.

BE IT RESOLVED: Shareholders request that the Board issue an audited report addressing whether and how a significant reduction in virgin plastic demand, as set forth in Breaking the Plastic Wave's System Change Scenario to reduce plastic pollution, would affect the Dow's financial position and assumptions underlying its financial statements. The report should be at reasonable cost and omit proprietary information.

SUPPORTING STATEMENT: Proponents recommend that, at the Board's discretion, the report include:

- Quantification of the Company's polymer production for SUP markets;
- A summary or list of the Company's existing and planned investments that may be materially impacted by the SCS;
- Disclosure of safety, emissions, energy, and process efficiency data associated with planned or operating chemical recycling technologies.

1. https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf, p.15
2. <https://www.science.org/doi/10.1126/sciadv.1700782>
3. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN>;
<https://cdn.minderoo.org/content/uploads/2023/02/04205527/Plastic-Waste-Makers-Index-2023.pdf>, p.17
4. <https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>
5. <https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040>
6. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf;<https://www.science.org/doi/full/10.1126/science.aba9475>
7. <https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear>;
<https://www.unep.org/resources/report/legal-limits-single-use-plastics-and-microplastics>;
<https://www.unilever.com/news/press-releases/2019/unilever-announces-ambitious-new-commitments-for-a-waste-free-world.html>
8. <https://www.plasticsnews.com/public-policy/plastics-treaty-talks-open-push-restrain-virgin-resins>
9. <https://cdn.minderoo.org/content/uploads/2023/02/04205527/Plastic-Waste-Makers-Index-2023.pdf>, p.57
10. <https://cdn.minderoo.org/content/uploads/2023/02/04205527/Plastic-Waste-Makers-Index-2023.pdf>, p.60
11. <https://www.forbes.com/sites/scottcarpenter/2020/09/05/why-the-oil-industrys-400-billion-bet-on-plastics-could-backfire/?sh=6e099bd843fe>
12. <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019.pdf#page=18>

Plan to Reduce Plastic Production

Westlake Chemical

WHEREAS: Plastic, with a lifecycle social cost at least ten times its market price, threatens the world's oceans, wildlife, and public health.¹ Concern about the growing impact of global plastic pollution has elevated the issue to crisis levels.² Of particular concern are single-use plastics (SUPs), which make up the bulk of the 11 million metric tons of plastic ending up in waterways annually.³ Without drastic action, this amount could triple by 2040.⁴

A shift away from virgin plastic production is critical to curbing the flow of plastic into oceans.⁵ One of the most robust pathways is presented in the widely respected *Breaking the Plastic Wave* report, which finds that plastic leakage into the ocean can feasibly be reduced 80 percent under its System Change Scenario (SCS), which is based on a global shift to recycled plastics (almost tripling demand for recycled content)coupled with a one-third absolute reduction of virgin demand (mostly of virgin SUPs).⁶

The future under the SCS—built partly on recycled plastics and circular business models—looks drastically different than today's linear take-make-waste production model and would peak virgin plastic demand globally before 2030. Countries and major packaging brands are already beginning to call for reductions in plastic production and virgin plastic use.⁷

Westlake Chemical is estimated to be among the largest global producers of SUP-bound polymers, and among the largest greenhouse gas emitters of such producers, yet has not issued a goal for transition to a significant amount of production of recycled polymers.⁸ Competitor Dow Inc. has committed to produce 3 million tons of feedstock from recycled and renewable sources annually by 2030. ExxonMobil has pledged capacity to process 450,000 tons of plastic waste for recycling by 2026. In light of the changing regulatory and competitive environment, shareholders face a growing risk from our Company's lack of substantial commitment to recycled polymers.

BE IT RESOLVED: With board oversight, shareholders request that Westlake Chemical prepare a report, at reasonable cost and omitting proprietary information, describing how the Company could shift its plastic resin business model from virgin to recycled polymer production as a means of reducing plastic pollution of the oceans.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the analysis include:

- Quantification (in tons and/or as a percentage of total production) of the Company's polymer production for SUP markets;
- Development of a substantive time-bound recycled polymer goal as a share of virgin polymer production;
- Plans to ensure that shifting from virgin to recycled plastics will utilize recycling technologies that are cost-effective, process and energy efficient, and environmentally sound;
- An assessment of the resilience of the Company's portfolio of petrochemical assets under virgin to recycled transition scenarios of five and ten years, and the financial risks and benefits associated with such scenarios; and
- The benefits of such a shift in terms of plastic pollution avoided.

1. https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf , p.15

2. <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>

3. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8>[;https://www.minderoo.org/plastic-waste-makers-index/findings/executive-summary/](https://www.minderoo.org/plastic-waste-makers-index/findings/executive-summary/)

4. <https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>

5. <https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040>

6. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf[;https://www.science.org/doi/full/10.1126/science.aba9475](https://www.science.org/doi/full/10.1126/science.aba9475)

7. <https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear>[;https://www.businessforplasticstreaty.org/](https://www.businessforplasticstreaty.org/)

8. <https://www.minderoo.org/plastic-waste-makers-index/>

Reduce Plastics Use

Yum! Brands, Inc.

WHEREAS: Without immediate and sustained new commitments throughout the plastics value chain, annual flows of plastics into oceans could nearly triple by 2040.

The growing plastic pollution crisis poses increasing risks to YUM! Brands. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce. Such policies addressed at single-use plastic (SUP) packaging increasingly are being enacted globally, including new laws in Maine, Oregon, Colorado, and California. The European Union has banned ten SUP products commonly found in ocean cleanups and imposed a tax on non-recycled plastic packaging waste.

Pew Charitable Trusts' groundbreaking study, *Breaking the Plastic Wave*, concluded that improved recycling alone is insufficient to address plastic pollution—instead, recycling must be coupled with reductions in use, materials redesign, and substitution. At least one-third of plastic use can be reduced, and reduction is the most viable solution from environmental, economic, and social perspectives.

YUM! has a goal to reduce virgin plastic by 10% over a 2020 baseline yet does not publish the tonnage of plastic used in the baseline year nor any strategies to achieve this goal, leaving investors unable to verify progress.

Nearly 100 consumer goods and retail companies have committed to taking meaningful action towards reusables and make all packaging recyclable, compostable, or reusable. In 2024, competitor McDonald's will publish an assessment of opportunities for reusable packaging. The report may include possible new actions and potential goal frameworks on reusables. Starbucks is also actively embracing reusable packaging with new global reusable container goals, having committed that all stores and drive-throughs will facilitate reusables beginning 2024. By contrast, YUM!, despite stated intentions, has taken little public action to invest in reusables and lacks a timebound and quantifiable goal for entirely recyclable, compostable, and reusable packaging.

More than one-third of YUM! investors supported a 2023 shareholder proposal urging the Company reduce its plastics use through permanently embracing reusables. YUM! has failed to meaningfully respond. The Company can reduce reputational and regulatory risk by addressing plastic pollution through strong investment in reusables.

BE IT RESOLVED: Shareholders request that the Board issue a report, at reasonable expense and excluding proprietary information, describing how YUM! can reduce its plastics use by shifting away from single-use packaging in alignment with the findings of the Pew Report or other authoritative sources.

SUPPORTING STATEMENT: The report should, at Board discretion:

- Assess the reputational, financial, and operational risks associated with continuing to use substantial amounts of SUP packaging;
- Evaluate significantly reducing the amount of plastic used in our packaging by transitioning to reusables; and
- Describe how YUM! can further reduce SUP, including any planned reduction strategies or goals, materials redesign, substitution, or reductions in overall plastic use.

Reduce Plastics Use

Amazon.com, Inc

WHEREAS: Without immediate and sustained new commitments to make packaging recyclable, reusable, or compostable, and to reduce overall plastic use, annual flows of plastics into oceans could nearly triple by 2040.¹ Unfortunately, the authoritative study *Breaking the Plastic Wave*, by Pew Charitable Trusts (Pew Report), concluded that if all current industry and government commitments were met, ocean plastic deposition would be reduced by only 7%.

Improved recycling must be coupled with reductions in use, materials redesign, and substitution. The Pew Report concludes that plastic demand should be reduced by at least one-third to cut ocean plastic pollution 80% by 2040, and that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives. Countries and other major brands have committed to significant cuts in the use of virgin and single-use plastics.²

This growing plastic pollution crisis poses increasing risks to Amazon. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce, a policy that is increasingly being enacted around the globe.³

Amazon has disclosed how much plastic it uses to ship orders but does not disclose how much plastic packaging it uses overall. The Company markets more than 100 brands of consumer goods, food, and beverages, many of which are packaged in plastic. Its Whole Foods subsidiary and Happy Belly brand sell numerous goods in flexible multi-layer packaging that cannot be routinely recycled. The Company is also notably absent from participating in the largest pre-competitive corporate initiative to address plastic pollution, the New Plastics Economy Global Commitment. Competitors, including Walmart and Target, have adopted goals to make plastic packaging recyclable, reusable, or compostable by 2025, while Amazon has not.

Reducing Amazon's overall plastic packaging and making all packaging recyclable are necessary steps to combat the plastic pollution crisis. Our Company is overdue on taking action on this important issue.

BE IT RESOLVED: Shareholders request the Amazon Board issue a report, at reasonable expense and excluding proprietary information, describing how the Company could reduce its plastics footprint by committing to make all packaging curbside recyclable, reusable, or compostable. The report should also describe setting goals for overall plastic packaging reduction in alignment with the findings of the Pew Report, or other authoritative sources, to significantly reduce ocean plastic pollution.

SUPPORTING STATEMENT: The report should, at Board discretion:

- Quantify the weight of total plastic packaging used by the Company;
- Set a time-bound goal to make packaging curbside recyclable, reusable, or compostable;
- Set a time-bound goal to reduce the amount of plastics used in Company packaging;
- Assess the reputational, financial, and operational risks associated with continuing to use substantial plastic packaging while plastic pollution grows;
- Describe any planned reduction strategies or goals, materials redesign, transition to reusables, substitution, or reductions in Company use of plastic packaging.

1. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf, p.4

2. https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf; <https://www.asyousow.org/press-releases/2021/10/6/walmart-commits-plastic-reduction-goal>

3. <https://www.weforum.org/agenda/2020/10/canada-bans-single-use-plastics>; <https://www.packworld.com/news/sustainability/article/22419036/four-states-enact-packaging-epr-laws>; https://environment.ec.europa.eu/topics/plastics/single-use-plastics_en

Reduce Microfiber Pollution

Lululemon Athletica Inc

WHEREAS: Plastics, with a lifecycle social cost at least ten times higher than its market price, actively threaten the world's oceans, wildlife, and people.¹ The growing scale and impact of global plastic pollution has elevated the issue to crisis levels.² Leaders from 193 United Nations member states are currently negotiating a global treaty to end plastic pollution, which will have profound impacts on the plastics value chain.³

Textiles provide the third largest market for plastic, consuming roughly 14% of total plastic production.⁴ Synthetic plastic fibers comprise 63% of global fiber production, equal to 80 million tons. During production and wear, small synthetic fibers called plastic microfibers are shed from garments. As a result, an estimated 200,000 to 500,000 total tons of plastic microfibers from textiles enter the world's oceans annually.⁵ The chronic release of plastic microfibers causes the textile industry to be one of the largest contributors to the growing microplastic pollution problem.

Plastic microfibers have been detected in every major ocean and freshwater environment; in remote polar regions, seafloors, and pristine mountaintops; indoor air; tap water, bottled water and beverages; and foods. Plastic microfibers are particularly dangerous due to their propensity to absorb toxics, such as dioxins, pesticides, and heavy metals from water, transferring them to the marine food web and potentially to human diets.

Lululemon is a signatory to The Microfibre Consortium and has committed to submit the outputs of materials testing each year to The Microfibre Data Portal, a private industry data repository, and to prioritize action on microfiber shedding prevention. Though a positive first step, Lululemon must support this commitment with specific, timebound actions and goals for its fabrics and manufacturing facilities.

Lululemon, which states that it has submitted testing data to The Microfibre Data Portal for 80 of its fabrics, could make this data publicly available, to the extent feasible, to provide customer guidance about which fabrics have the highest shedding rates.

Further, Lululemon could ensure that the manufacturing facilities it utilizes have robust wastewater management systems and optimized effluent treatment processes, such as ultrafiltration and reverse osmosis, which can remove and trap nearly all plastic microfibers that would be shed during production.⁶

These steps would help position Lululemon to compete for consumers increasingly concerned about plastic microfiber shedding from clothing while reducing risk of being caught unprepared for plastics-related government regulations.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense, describing opportunities for Lululemon to further reduce microfiber pollution from its garments, such as through advanced wastewater treatment technologies during production.

SUPPORTING STATEMENT: The report should, at board discretion:

- Evaluate ways to make its fiber shedding data publicly available, including to consumers;
- Discuss existing, planned, or available manufacturing treatment technologies to minimize fiber shedding, such as ultrafiltration and reverse osmosis; and
- Discuss planned capital expenditures to control microfiber shedding.

1. https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf, p.15

2. <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>

3. <https://www.un.org/en/climatechange/nations-agree-end-plastic-pollution>

4. <https://www.regulations.gov/document/NOAA-NOS-2022-0061-0002>, p.1

5. <https://www.eea.europa.eu/publications/microplastics-from-textiles-towards-a>

6. <https://link.springer.com/article/10.1007/s11356-017-0528-7>

Biodiversity Impact Assessment

International Paper Co.

WHEREAS: Forests are systemically important to climate, biodiversity, water, Indigenous Peoples' rights, and livelihoods. The World Economic Forum ranks biodiversity loss among the three most severe global risks,¹ while the World Bank estimates the collapse of ecosystem services, including native forest timber, could result in an annual global GDP decline of \$2.7 trillion.²

International Paper (the "Company") is a leading producer of fiber-based packaging and pulp products. It sources fiber from forests in the U.S. and Canada, at least some of which are near FSC U.S. Southeast Critical Biodiversity Areas.³ Logging operations in high-integrity, high conservation value forests, from which its wood fiber is likely sourced, can lead to lower species diversity, ecosystem conversion and degradation, negative impacts to habitats and watersheds, or increase risk of wildfire.⁴

E-commerce is projected to increase packaging demand by up to 20% over the next five years,⁵ while customer demand for sustainable products is also increasing. A biodiversity strategy will help International Paper meet this demand without increasing its nature-related risks and ensure long-term resilience of its fiber sourcing, mitigate supply chain disruption, and volatility.

In 2022, the Kunming-Montreal Global Biodiversity Framework was adopted to halt and reverse nature loss by 2030. Along with other climate and nature commitments, it will prompt further regulatory action and heighten expectations for corporate disclosures on nature.⁶ The Taskforce on Nature-Related Financial Disclosures (TNFD), created with investor and company input, provides a framework to assess and report on nature-related dependencies, impacts, risks, and opportunities.⁷ Further TNFD guidance suggests companies locate specific areas where operations or value chains interface with nature.⁸

International Paper recognizes "its success depends on the sustainability of forests." However, it lacks a biodiversity strategy informed by a robust assessment of biodiversity impacts, dependencies, risks, and opportunities. Third-party certification alone is insufficient, and the company does not disclose how it uses its monitoring and partnerships to evaluate and mitigate business-wide biodiversity impacts, risks, and dependencies.

A biodiversity impact and risk assessment, including supply chain impacts on the degradation of high-integrity forests, would help ensure the Company's approach and supplier engagement is science-based, and context- and geography-specific. It would identify and address areas significantly impacted by the business to inform strategies to establish long-term business resilience. In the absence of such information, investors are unable to evaluate the magnitude of its exposure to systemic risk or whether its management systems are sufficient.

RESOLVED: Shareholders request that International Paper conduct and disclose a biodiversity impact and dependency assessment, including supply chain impacts on the degradation of high-integrity forests, to inform its strategy to prevent negative impacts on biodiversity.

SUPPORTING STATEMENT: Shareholders recommend, at Board discretion, that the report is aligned with standards, such as the Taskforce on Nature Related Disclosure framework, and includes information on governance, strategy, risk and impact management, and metrics and targets.

1. https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf
2. <https://www.worldbank.org/en/news/press-release/2021/07/01/protecting-nature-could-avert-global-economic-losses-of-usd2-7-trillion-per-year>
3. <https://www.internationalpaper.com/sites/default/files/file/2023-08/CDP%202023%20-%20Forests.pdf>
4. <https://www.bain.com/insights/paper-and-packaging-faces-biodiversity-crisis-paper-and-packaging-report-2023/> ;
<https://www.corporateknights.com/issues/2023-11-education-and-youth-issue/tree-planting-climate-emergency/>
5. <https://www.reuters.com/sustainability/land-use-biodiversity/flight-plastic-companies-urged-think-outside-box-2023-08-09/>
6. https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en
7. <https://tnfd.global/recommendations-of-the-tnfd/#risk-impact-management>
8. https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_the_identification_and_assessment_of_nature-related_Issues_The_TNFD_LEAP_Approach_V1.1_October2023.pdf?v=1698403116FieldCodeChanged

Biodiversity Impact Assessment

Home Depot, Inc.

WHEREAS: Nature and biodiversity are systemically important to climate, livelihoods, Indigenous Peoples' rights, and thriving economies. The World Economic Forum ranks biodiversity loss and ecosystem collapse among the four most severe global risks,¹ and the World Bank estimates the collapse of ecosystem services could result in an annual global GDP decline of \$2.7 trillion.² While the World Economic Forum estimates that over half of the world's GDP is moderately or highly dependent on nature and its services, all of the world's GDP is dependent on nature to some extent.³

Home Depot is the world's largest home improvement retailer, and its business is exposed to biodiversity and nature risks. Its global sourcing operations, in particular its wood and timber sourcing, may be linked to illegal logging,⁴ and contribute to deforestation, degradation and conversion of forests, or negative impacts on Indigenous Peoples or environmental human rights defenders. Retail products such as gardening, cleaning chemicals, and paints, and their associated plastic packaging and waste, create risks of land use change or water and air pollution that can contribute to biodiversity loss. Meanwhile, Home Depot faces an important opportunity to promote sustainable consumption and reduce consumers' negative impacts on nature, which it acknowledges to some degree.⁵ Improving the sustainability of products may result in higher sales margins,⁶ and demonstrate responsiveness to increasing consumer demands.

In 2022, the Kunming-Montreal Global Biodiversity Framework was adopted to halt and reverse nature loss by 2030. Along with other climate and nature commitments, it will prompt further governmental action and heighten expectations for corporate disclosures on nature.⁷ The Taskforce on Nature-related Financial Disclosures (TNFD), created with investor and company input, provides a framework to assess and report on nature-related impacts, dependencies, risks, and opportunities.⁸

While Home Depot has initiatives on circularity, responsible sourcing, and consumer engagement,⁹ it lacks an overarching biodiversity strategy or assessment process. A biodiversity assessment to evaluate the biodiversity impacts, dependencies, risks, and opportunities of upstream and downstream business, would help Home Depot to prioritize efforts and identify strategic opportunities. It could also inform work to leverage the climate and nature nexus, focus engagement with suppliers, and deploy differentiated consumer engagement strategies to halt and reverse nature loss. This would help establish long-term business resilience, mitigate supply chain disruption and volatility, and support sustainable consumer practices. In the absence of such information, investors are unable to evaluate the magnitude of its exposure to systemic biodiversity risk or whether its management systems are sufficient.

RESOLVED: Shareholders request that Home Depot conduct and disclose a biodiversity impact and dependency assessment, including the full value chain and use of sold products, to inform its strategy to prevent negative impacts on biodiversity.

SUPPORTING STATEMENT: Shareholders recommend, at Board discretion, that the report is aligned with standards, such as the Taskforce on Nature-related Financial Disclosure framework, and includes information on governance, strategy, risk and impact management, and metrics and targets.

1. https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf
2. <https://www.worldbank.org/en/news/press-release/2021/07/01/protecting-nature-could-avert-global-economic-losses-of-usd2-7-trillion-per-year>
3. <https://www.weforum.org/press/2020/01/half-of-world-s-gdp-moderately-or-highly-dependent-on-nature-says-new-report/>
4. https://us.eia.org/wp-content/uploads/2023/11/EIA_US_Dictators_Door.pdf
5. <https://ecoactions.homedepot.com/our-commitment/>
6. <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/the-triple-play-growth-profit-and-sustainability>
7. https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en; https://www.state.gov/highlighting-u-s-eorts-to-combat-the-biodiversity-crisis/
8. <https://tnfd.global/recommendations-of-the-tnfd/#risk-impact-management>
9. https://corporate.homedepot.com/sites/default/files/2023-07/2023%20Home%20Depot%20ESG%20Report_vF.4_7.25.23%20%28compressed%29.pdf

Biodiversity Impact Assessment

Starbucks Corp.

BE IT RESOLVED: Shareholders request that, by the end of 2023 and at reasonable time and cost, Starbucks complete a material biodiversity dependency and impact assessment and prepare a report to identify the extent to which the company's supply chains and operations are vulnerable to, and adversely contribute to, risks associated with biodiversity and nature loss and that the board, in its discretion, consider the Task Force for Nature Related Financial Disclosures Framework in preparing its report.

SUPPORTING STATEMENT: Biodiversity and ecosystems touch every element of human life. From the food we eat to the medicine we need, humans, and economies are heavily reliant on functioning ecosystems. We depend on nature to exist, thrive, and stay healthy—70% of medicines used to treat cancer are natural or synthetic products made possible because of nature and more than 75% of global food crops rely on animal pollination.¹ Annually, the global economy derives roughly \$125 trillion of value from natural ecosystems and according to the Convention on Biodiversity 40% of the world's economy relies on biodiversity.^{2,3}

Because of these critical dependencies, the rate at which biodiversity is being destroyed is particularly concerning—one quarter of the world's plants and animals, meaning roughly 1 million species, are at risk of extinction.⁴ Land-use and sea change, overexploitation of resources, climate change, pollution, pesticides, and invasive species present a constant risk for biodiversity and the trillions of dollars in value it creates.⁵ The already present decline in ecosystem health costs the global economy \$5 trillion annually.⁵ Furthermore, food, energy, infrastructure, and fashion, are driving 90% of human caused pressure on biodiversity.⁵

Investors are increasingly examining the financial risks associated with biodiversity loss. The Taskforce for Nature Related Financial Disclosures (TNFD) launched the final framework to evaluate these financial risks in September 2023.

Starbucks is particularly dependent on Arabica coffee beans, which are at risk of becoming a scarce, highly expensive commodity as habitat loss and climate change impacts increase.⁶ The Arabica bean is a very sensitive plant with an optimal growing temperature range between 64-70°.⁶ Studies have found that 60% of the 124 wild coffee species are at risk of extinction due to climate change and deforestation, including the Arabica bean which is projected to decrease by 50% by 2088.⁷ This highlights the urgent need to examine and address biodiversity risks in coffee production.

Starbucks acknowledges that potential increases in cost and decreases in availability of high-quality Arabica beans present a business risk.⁸ While this is an important first step, we urge the company to assess nature-related risks facing its business and outline how identifying, assessing, and managing nature-related risks is integrated into the organization's overall risk management. By doing this Starbucks can gain a better understanding of where the company's supply chain is most vulnerable and assure investors that the company is prepared to manage these potential impacts on their operations.

1. <https://www.weforum.org/agenda/2020/05/5-reasons-why-biodiversity-matters-human-health-economies-business-wellbeing-coronavirus-covid19-animals-nature-ecosystems/#:-:text=Biodiversity%20provides%20livelihoods,of%20the%20world's%20working%20poor>
2. <https://www.oecd.org/environment/resources/biodiversity/Executive-Summary-and-Synthesis-Biodiversity-Finance-and-the-Economic-and-Business-Case-for-Action.pdf>
3. <https://www.nytimes.com/2010/02/01/business/global/01green.html>
4. <https://zenodo.org/record/3553579#.YuGyOnbMKUI>
5. <https://www.bcg.com/publications/2021/biodiversity-loss-business-implications-responses>
6. <https://www.climate.gov/news-features/climate-and/climate-coffee>
7. <https://www.smithsonianmag.com/smart-news/more-half-all-coffee-species-are-risk-extinction-180971289/#:-:text=The%20Arabica%20bean%2C%20a%20native,around%2050%20percent%20by%202088>
8. https://s22.q4cdn.com/869488222/files/doc_financials/2023/ar/Starbucks-FY22-Annual-Report.pdf

Deep Sea Mining Disclosure

Tesla Inc.

A similar resolution was submitted to General Motors Corp.

WHEREAS: The deep sea contains many of the planet's intact ecosystems and plays a crucial role in regulating the climate.¹ Studies indicate that mining this underexplored and complex area for battery-related minerals will create irreversible habitat and ecosystem loss and could permanently destroy invaluable carbon storage.²

Deep sea mining (DSM) can obliterate sea floor life through dredging, while releasing sediment plumes laced with toxic metals, poisoning marine food chains.³ Deep sea organisms are slow-growing and fragile, and habitats can require millennia to recover from disturbances.⁴ The likely outcomes of DSM include biodiversity loss and jeopardized fish-based livelihoods and food supplies.⁵ Further, industrial-scale exploitation of the seafloor could have grave consequences for the ability of the oceans—one of the planet's biggest carbon sinks—to absorb carbon dioxide, and may even lead to release of carbon stores.⁶ Scientists warn that DSM, even done cautiously, could be devastating.

The scientific uncertainty and potential catastrophic impacts of DSM have led many civil society groups, including governments, private organizations, and manufacturers to voice concern. Twenty-four governments have put in place a ban, moratorium, or precautionary pause on DSM.⁷ Electric vehicle (EV) manufacturers including BMW, Volvo, Volkswagen, Rivian, and Renault have committed to a global moratorium on deepsea mining, pledging to keep their supply chains deep sea mineral free until scientific findings are sufficient to assess the environmental risks of DSM.⁸

Peers adopting the moratorium underscores the precautionary principle and the availability of more sustainable methods to obtain necessary materials. For example, the BMW Group emphasizes that "its sustainability strategy is also relying more on resource-efficient closed-loop material cycles—with the aim of significantly increasing the percentage of secondary material in vehicles."⁹

Unlike its peers, Tesla has not supported a DSM moratorium, leaving shareholders concerned that the Company is not addressing the serious reputational and regulatory risks of DSM. The supply of deep sea minerals is also legally, technologically, and financially insecure, making it expensive and risky for Tesla to incorporate deep sea sourced minerals into its supply chain.¹⁰ DSM is also at odds with the Kunming-MontrealGlobal Biodiversity Framework.¹¹

By committing to a global moratorium on DSM and an ocean mineral free supply chain, Tesla will join the ranks of Google, Samsung, Microsoft, Salesforce, Philips, and its EVpeers by protecting a critical ecosystem and reaffirming its commitment to responsible sourcing.

BE IT RESOLVED: Shareholders request that Tesla commit to a moratorium on sourcingminerals from deep sea mining, consistent with the principles announced in the Business Statement Supporting a Moratorium on Deep Sea Mining.

SUPPORTING STATEMENT: If Tesla cannot so commit, shareholders request that the Board disclose its rationale and assess the Company's anticipated need for deep seamaterials.

1. <https://climatesociety.ei.columbia.edu/news/rolling-deep-climate-change-and-deep-sea-ecosystems>
2. <https://www.unepfi.org/wordpress/wp-content/uploads/2022/05/Harmful-Marine-Extractives-Deep-Sea-Mining.pdf>; <https://www.frontiersin.org/articles/10.3389/fmars.2020.00165/full>
3. <https://www.iucn.org/resources/issues-brief/deep-sea-mining>
4. <https://www.fauna-flora.org/explained/depth-deep-seabed-mining-not-answer-climate-crisis/>, p.17,26
5. <https://www.nature.com/articles/s44183-023-00016-8>
6. <https://www.fauna-flora.org/wp-content/uploads/2023/05/fauna-flora-deep-sea-mining-update-report-march-23.pdf> , p. 18
7. <https://savethehighseas.org/voices-calling-for-a-moratorium-governments-and-parliamentarians/>
8. <https://www.stopdeepseabedmining.org/endorsers/>
9. <https://www.press.bmwgroup.com/global/article/detail/T0328790EN/bmw-group-protects-the-deep-seas>
10. <https://ejifoundation.org/news-media/environmentalists-warn-investors-of-deep-sea-mining-risk>; <https://www.financeforbiodiversity.org/leading-financial-institutions-call-on-governments-to-not-permit-deep-sea-mining/>
11. <https://dsm-campaign.org/wp-content/uploads/2021/10/Precautionary-Principle-Deep-Sea-Mining.pdf>

Report on Guyana Oil Spill Economic, Human and Environmental Impacts

Exxon Mobil Corporation

WHEREAS: ExxonMobil operates one of the largest oil plays discovered in the past decade, offshore of Guyana. Production began in 2019,¹ with capacity expected to exceed one million bpd by 2030.²

ExxonMobil is exceeding its safety thresholds for production in two offshore projects in Guyana.³ Production in one project has surpassed 150,000 bpd,⁴ clearly above the listed peak production safety threshold of 120,000 bpd and the “potential peak production volume of 144,000 bpd” used for calculating impacts in ExxonMobil’s 2018 environmental impact assessment (EIA),⁵ raising concerns among observers.⁶ The August 2023 cumulative impact assessment for the Starbuck block merely recycles information from the original EIA⁷ despite significant increases in safety thresholds for that project, making its calculations vast underestimates. A former director of Guyana’s environmental protection agency called this increased production “unheard of” and stated ExxonMobil is “without a conscience and ruthlessly taking advantage of an abysmal EPA and weak Government” in Guyana.⁸

ExxonMobil’s assessments do not account for the increased risk of a spill with wells operating above safety thresholds, for an extended oil release similar to the BP Macondo disaster, or for severe weather conditions beyond historic trends due to climate change.

Despite claiming substantial implementation of this proposal last year, ExxonMobil has not conducted an analysis of the potential economic costs of an oil spill.⁹ Caribbean countries in a potential spill zone rely on tourism and fishing industries to support their economies,¹⁰ yet ExxonMobil characterizes risk to the economy and employment as minor and assumes that a large oil spill is unlikely.¹¹

However, Robert Bea, an expert on the Macondo spill, warns ExxonMobil shows “ignorance of risk management fundamentals” in its Guyana operations and mirrors BP’s overconfidence preceding the Macondo disaster.¹² The most severe spill scenario in ExxonMobil’s EIA accounts for only a 30-day spill.¹³ The Macondo spill released millions of barrels of oil, covering thousands of miles of the Gulf of Mexico, over 87 days.¹⁴ BP stock plummeted 52% over two months.¹⁵

ExxonMobil’s responsibility and potential liability for its Guyana operations are of great concern to investors

RESOLVED: Shareholders request that the Company issue a report evaluating the economic, human, and environmental impacts of a worst-case oil spill from its operations offshore of Guyana. The report should be prepared at reasonable expense, omit proprietary or privileged information, and clarify the extent of the Company’s cleanup response commitments given the potential for severe impact on Caribbean economies.

SUPPORTING STATEMENT: A “worst-case” should use adverse assumptions such as an extended duration of an uncontrolled release from multiple wells similar to the BP spill, severe weather conditions, and risks from operating beyond the safety thresholds in the EIA.

1. https://corporate.exxonmobil.com/news/newsroom/news-releases/2022/0211_exxonmobil-starts-production-at-guyanas-second-offshore-development
2. <https://newsroom.gy/2022/10/26/with-new-discoveries-oil-production-to-exceed-1-million-barrels-per-day-by-2030/>
3. <https://www.fool.com/earnings/call-transcripts/2022/10/28/exxonmobil-xom-q3-2022-earnings-call-transcript/>
4. <https://www.kaieteurnewsonline.com/2023/09/12/exxonmobil-to-increase-production-at-liza-one-and-two-govt-reveals/>
5. Liza Phase 1. EIA, p.38
6. <https://www.kaieteurnewsonline.com/2022/11/01/exxonmobil-ruthlessly-taking-advantage-of-slack-govt-abysmal-epa-by-violating-safe-production-limits-dr-adams/>
7. Whiptail EIA, p. 1242
8. <https://www.kaieteurnewsonline.com/2022/11/01/exxonmobil-ruthlessly-taking-advantage-of-slack-govt-abysmal-epa-by-violating-safe-production-limits-dr-adams/>
9. <https://www.kaieteurnewsonline.com/2023/09/13/exxonmobil-never-examined-cost-of-an-oil-spill-to-guyana-caribbean-nations-public-meeting-on-6th-project-hears/>
10. <https://www.fao.org/3/ax904e/ax904e.pdf>
11. Payara EIA, Volume I, p. 1,002.
12. <https://www.theguardian.com/environment/2021/aug/17/exxon-oil-drilling-guyana-disaster-risk>
13. Payara EIA, Volume I, p. 839
14. <https://www.britannica.com/event/Deepwater-Horizon-oil-spill> ; See also, <https://www.epa.gov/enforcement/deepwater-horizon-bp-gulf-mexico-oil-spill#:~:text=4%20million%20barrels%20of%20oil,be%20responsible%20for%20the%20spill>
15. https://money.cnn.com/2010/06/24/news/companies/BP_stock_price/index.htm

Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Environmental and Health Risks Associated with Chemicals in Company Products

Align Technology Inc.

Align Technology's ("Align" or "the Company") Invisalign® clear plastic aligners, used by approximately 16,000,000 people, account for over 80% of 2022 revenue.¹ Align states its aligners and retainers "are made of medical-grade, high molecular weight, thermoplastic polymers" selected "based on their properties and safety classification, and have a long history of FDA approvals for long-term use inside the human body."²

FDA approval is necessary but not always sufficient to eliminate material financial risks. For example, while Johnson & Johnson touted that the "FDA agreed overall with the position that we had taken with the safety of our talc"³ it later settled litigation for "\$8.9 billion...to resolve... current and future talc claims..."⁴

Further, regulatory and consumer expectations are increasing in the U.S. and internationally.⁵ Currently, 38 states have adopted 333 state policies to protect people from harmful chemicals.⁶ The Retail Compliance Center finds, "A growing segment of consumers are demanding that suppliers move beyond compliance and ensure that chemicals in products are not just compliant with existing requirements but are 'free' of chemicals of concern."⁷

Disclosure consistent with voluntary industry standards is necessary to assess whether Align is futureproofing its operations by anticipating potential chemicals-related risks.

Illustrating growing interest in voluntarily and proactively exceeding regulatory expectations, in October 2022, "Clean Production Action unveiled the first GreenScreen Certified™ Standard for Medical Supplies & Devices, laying out detailed criteria [participating] equipment manufacturers must meet to prove that their products do not contain chemicals with known negative impacts to human health and the environment."⁸

Additionally, the International Sustainability Standards Board ("ISSB") identifies industry-specific, financially material, decision-useful metrics. For Align's industry they include: "process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products."⁹ Further, it encourages disclosure on "specific environmental and human health impacts of its products, including:...[t]oxicity of materials" and includes reference to: "design protocols", "[p]rourement policies", "[r]estricted substances lists", "[c]ertifications", and "[p]roduct take-back" policies.¹⁰

RESOLVED: Shareholders request the Board of Directors issue a public report drawing upon the ISSB's Medical Equipment Sustainability Accounting Standard—at reasonable expense, excluding confidential and privileged information and within a reasonable timeframe—discussing Company processes and policies to manage potential environmental and human health risks associated with chemicals in Align's products, as well as related risks to Company operations and finances such as reputation and liability.

SUPPORTING STATEMENT: The proponent recommends that the report, at board and management discretion, also include a timeline for developing and disclosing a comprehensive chemicals policy that:

- identifies chemicals of high concern and establishes a process for their elimination; and
- deploys safer alternatives when available.

1. <https://www.invisalign.com/frequently-asked-questions>; <https://investor.aligntech.com/static-files/da529fe4-23bd-4d19-a56e-43aed753800a>
2. <https://www.invisalign.com/frequently-asked-questions>
3. <https://www.reuters.com/investigates/special-report/usa-health-fda-talc/>
4. <https://www.jnj.com/ltr-update>
5. <https://www.pillsburylaw.com/en/news-and-insights/regulate-plastic-pollution-increase-2023.html>
6. <https://saferstates.org/>
7. https://rilastagemedia.blob.core.windows.net/rila-web/rila.web/media/media/pdfs/fact-sheet-state-regulations-chemicals-in-consumer-products_1.pdf?ext=.pdf
8. <https://www.cleanproduction.org/resources/entry/greenscreen-certified-standard-for-the-health-care-sector>
9. <https://sasb.org/standards/download/?lang=en-us> ISSB, Medical Equipment & Supplies Sustainability Accounting Standard V2023-06. p.6,
10. Ibid, p.16, 17

Sustainability Reporting

Chemed Corporation

RESOLVED: Shareholders request Chemed Corporation issue a report describing the practices, goals, and metrics it utilizes to assess performance managing potentially material environmental, social, and governance (ESG) risks and opportunities. The report should be updated annually, prepared at reasonable cost, and omit proprietary information.

WHEREAS: Regardless of company size or industry, public sustainability reporting on material ESG risks and opportunities can contribute to long-term business success and creation of shareholder value by helping companies better recognize operational efficiencies, enhance competitiveness, and identify new revenue generating opportunities. It can also help companies attract and retain talent, build brand and reputational value, and better manage an evolving regulatory landscape.

Although Chemed Corporation (“Chemed”, or the “Company”) includes high-level policies on its website related to topics such as human rights, business ethics, and environmental impacts, it lacks further transparency regarding the implementation, monitoring practices, and outcomes of such policies. Neither the VITAS nor Roto-Rooter operating businesses publish relevant sustainability disclosures.

The lack of enterprise-wide ESG disclosure at Chemed hinders the ability of investors to enhance the risk-adjusted returns of portfolios through integration of financially material ESG performance data. Although the Company’s annual report touches upon the importance to the business of topics such as human capital, cybersecurity, and ethical business practices, the discussion is at a high level and lacks decision-useful data points to understand the effectiveness of risk management policies and practices.

The need for enhanced disclosure of ESG risk and opportunity management is underscored by recent events:

In 2022, Chemed completed a five-year Corporate Integrity Agreement (CIA) connected with a \$75,000,000 settlement to resolve False Claims Act litigation brought by the US Department of Justice in 2017. Despite 95% of the VITAS segment revenues consist of payments from Medicare and Medicaid, Chemed has yet to comprehensively detail its strategy to avoid future regulatory penalties related to fraud. The turnover rate for clinical healthcare workers spiked during the onset of the coronavirus pandemic. VITAS has sought to stem turnover by implementing a hiring and retention bonus program at an estimated cost of \$23,800,000 in 2023 yet lacks associated turnover data to enable investors to understand the efficacy of such investments. Within the health care delivery industry, peers such as Acadia Healthcare, Amedisys Inc., DaVita Inc., HCA Healthcare, and Tenet Healthcare Corp have all responded to evolving investor expectations by regularly reporting on sustainability risks, opportunities, and associated metrics.

SUPPORTING STATEMENT: In determining relevant content for the report, we recommend, at management’s discretion, consideration of the following:

- Utilization of recognized frameworks, such as SASB Standards, to ensure consistent, comparable, and decision-useful disclosures,
- Quantitative, timebound goals for improvement against baseline performance, and
- Discussion of how sustainability considerations are integrated into business strategies and operational decisions.

Disclose Risks of Pesticide Use in Agricultural Supply Chains

Kellanova

WHEREAS: Industrial agriculture's reliance on synthetic pesticides threatens farm sustainability, biodiversity, climate resiliency, water quality, and farmworker and fenceline community health and safety.

Pesticides decrease long-term farm productivity due to the proliferation of pesticide-resistant weeds and insects, the loss of topsoil, and soil nutrient degradation.¹ Pesticide-intensive farming practices, including monocropping, increase susceptibility to pests and weed outbreaks.²

Agricultural pesticide use also directly impacts pollinator health. One-third of our food is dependent on pollinators, which are declining at alarming rates in significant part due to agricultural pesticide use.³ Additionally, synthetic pesticides generate greenhouse gas emissions and decrease soil's ability to sequester carbon.⁴

Farmland consistently treated with pesticides also loses its ability to store water, increasing the generation of toxic runoff.⁵ Pesticide runoff poisons fish and wildlife, contaminates food sources, destroys animal habitats, and adversely impacts human health.⁶

Farmworkers and fenceline communities are disproportionately affected by pesticide use.

Nearly 44% of farmworkers experience unintentional acute pesticide poisoning (UAPP) annually, causing approximately 11,000 deaths every year.⁷ Long-term exposure to pesticides on and around farms also causes serious human health effects from cancer to cognitive impairment.⁸

Although Kellanova has identified 'Sustainable Agriculture' goals as part of its BetterDays Promise, it does not address risks related to pesticide use. Kellanova does not disclose whether it: tracks pesticide use, has assessed the risks of pesticides used on its material crops, has implemented measures to reduce pesticide use, or intends to report successful reductions in use. This represents an important blind spot and significant risk to investors and our Company.

Other major food companies are taking action to reduce, assess, and report pesticide risk, including:

- General Mills has put in place a comprehensive pesticide reduction plan focused on regenerative agriculture, integrated pest management (IPM), increasing organic acreage, and promoting pollinator health.⁹
- Lamb Weston reports pounds of active ingredient pesticides used per ton of crops harvested annually. It audits growers' pesticide use through a third party.¹⁰
- Conagra reports annually on pesticide use avoided through IPM and monitoring practices—reporting 112,500 gallons of fumigant pesticides avoided since 2021.¹¹

In a competitive marketplace that increasingly demands safe food and reduced harm to stakeholders and the environment, understanding and assessing supplier pesticide use reduces risk for shareholders and our Company.

BE IT RESOLVED: Shareholders request that Kellanova issue a report, at reasonable expense and excluding proprietary information, on the risks to the Company associated with pesticide use in its supply chain.

SUPPORTING STATEMENT: At board discretion, shareholders recommend the report include: An assessment of the risks associated with pesticide use on farmworker and fence line community health, farm resilience, soil health, biodiversity, water quality, climate, and reputational and litigation risk; and Any strategies, beyond legal compliance, Kellanova has taken or plans to take to mitigate those risks.

1. <https://www.scientificamerican.com/article/weeds-are-winning-the-war-against-herbicide-resistance1/> ; <https://e360.yale.edu/features/how-the-loss-of-soil-is-sacrificing-americas-natural-heritage> ; <https://www.panna.org/wp-content/uploads/2023/02/202308ClimateChangeEng.pdf>
2. <https://ehp.niehs.nih.gov/doi/pdf/10.1289/ehp.02110445>
3. https://newsarchive.berkeley.edu/news/media/releases/2006/10/25_pollinator.shtml ; <https://www.nationalgeographic.com/environment/article/insect-apocalypse-under-way-toxic-pesticides-agriculture>
4. <https://phys.org/news/2023-02-pesticide-pollution-harvesting-intensity-crop.html>
5. <https://pesticidestewardship.org/water/runoff/>
6. https://www.epa.gov/sites/default/files/2015-09/documents/ag_runoff_fact_sheet.pdf
7. <https://pubmed.ncbi.nlm.nih.gov/33287770/>
8. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9231402/>
9. <https://www.generalmills.com/how-we-make-it/healthier-planet/environmental-impact/pesticides>
10. <https://esg.lambweston.com/lambweston-2022-esg.pdf>
11. <https://www.conagrabrands.com/citizenship-reports/conagra-brands-citizenship-report-2022>

Measuring Pesticide Use in Agricultural Supply Chains

Target Corp.

RESOLVED: Shareholders of Target Corporation (“Target”) request that the board of directors issue a report, at reasonable cost and omitting proprietary information, explaining if and how the company is measuring and curtailing pesticide use in its agricultural supply chains that cause harm to human health, pollinators, and the environment.

SUPPORTING STATEMENT: While specific metrics are left to management’s discretion, shareholders recommend that Target disclose the following information:

- Type and quantity of pesticides avoided annually through targeted strategies in prioritized crops;
- Prioritization of pesticides for reduction or elimination aligned with classifications set by authoritative scientific bodies, including the World Health Organization and the U.S. Environmental Protection Agency;¹
- Company targets and timelines, if any, for pesticide reduction.

WHEREAS: A third of the food we eat is dependent on pollinators; but pollinator species are declining at alarming rates in significant part due to the use of toxic pesticides on farms.² Further, a recent study shows pesticide toxicity has more than doubled since 2005 for many invertebrates that are critical to soil health.^{3,4}

Pesticide exposure is associated with serious health effects in humans from increased risk of cancers to developmental defects in infants and children.^{5,6} Health advocates have cautioned consumers about residues of glyphosate in food products⁷ and the American College of Obstetrics and Gynecology cites linkage between health harms and exposures to toxic pesticides.⁸

Target offers minimal disclosures on its approach to managing pesticide pollution. In 2021, Target implemented a pollinator health policy encouraging suppliers to limit non-essential use of pesticides to all produce, live plant, and flower supply chains. Yet, absent timebound or measurable targets, investors and other stakeholders cannot assess its effectiveness.

Target, while steadily growing food and beverage revenues from 19% in 2019 to 21% in 2022⁹ has fallen behind peers who have set timebound measurable commitments:¹⁰

Walmart set a goal to source 100 percent of fresh produce and floral from suppliers that adopt integrated pest management (IPM) practices, as verified by a third party, by 2025. Giant Eagle requires produce suppliers to eliminate use of nitroguanidine neonicotinoids, adopt IPM practices by 2025, and tracks progress via third-party certification. Costco reports annually on the percent of live good suppliers that have eliminated use of neonicotinoids, chlorpyrifos, organophosphates, and glyphosate. Seventeen suppliers are certified through the Equitable Food Initiative on implementing IPM practices and ensuring farmworker health and safety. Ten U.S. states have restricted neonicotinoid use¹¹ and the landmark Global Biodiversity Framework calls for the reduction of the overall risk from pesticides by at least half by 2030.¹²

In a competitive marketplace increasingly demanding sustainable food and reduced stakeholder and environmental harm, understanding and tracking supplier use of pesticides can help reduce risk for shareholders and our company.

1. See PAN International List of Highly Hazardous Pesticides: http://pan-international.org/wp-content/uploads/PAN_HHP_List.pdf
2. <https://xerces.org/pesticides/risks-pesticides-pollinators>
3. Applied pesticide toxicity shifts toward plants and invertebrates, even in GM crops | Science
4. Frontiers | Pesticides and Soil Invertebrates: A Hazard Assessment (frontiersin.org)
5. https://www.annualreviews.org/doi/full/10.1146/annurev.publhealth.25.101802.123020#_i34
6. <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1552-6909.2009.01092.x>
7. <https://www.ewg.org/release/roundup-breakfast-part-2-new-tests-weed-killer-found-all-kids-cereals-sampled>
8. <https://ehp.niehs.nih.gov/doi/10.1289/EHP358>
9. <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000027419/00000274192300015/tgt-20230128.htm>
10. <https://foe.org/retailer-report-card/>
11. <https://www.xerces.org/blog/states-make-way-for-pesticide-reforms#:~:text=New%20Jersey%2C%20Maine%2C%20and%20now,Connecticut%20would%20do%20the%20same>
12. <https://www.cbd.int/article/cop15-cbd-press-release-final-19dec2022>

Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Phase Out Routine Medically Important Antibiotics Use in Supply Chain

McDonald's Corp.

RESOLVED: Shareholders request that McDonald's adopt an enterprise-wide policy to phase out the use of medically-important antibiotics for disease prevention purposes in its beef and pork supply chains. The policy should include, in the discretion of board and management, global sourcing targets with timelines, metrics for measuring implementation, and third-party verification.

SUPPORTING STATEMENT: A policy meaningful to shareholders would include:

- Establishment of a glidepath for the phase out, inclusive of interim reduction targets;
- A commitment to annual disclosure of enterprise-wide antibiotic use including reporting by shared class of antibiotics¹

WHEREAS: The World Health Organization (WHO) and the U.S. Centers for Disease Control and Prevention² (CDC) report that antibiotic resistance is a global public health crisis that threatens to reverse many medical advances made over the last century.

According to the CDC, antibiotic use, both in food animals and human medicine, is the "single most important factor" driving this crisis.³ Nearly two-thirds of medically important antibiotics sold in the U.S. are intended for livestock use⁴ with around 80 percent of those sales consisting of cattle and swine (originally cited at the FDA website under Animal Veterinary News). McDonald's is the single largest purchaser of beef in the U.S. and a major buyer of pork.⁵

In 2018, McDonald's published its Global Vision for Antibiotic Stewardship in Food Animals which included a goal to prohibit routine preventive use of antibiotics by meat suppliers and committed to developing "species-specific policies outlining our requirements and implementation timelines for suppliers providing chicken, beef, dairy cows, pork and laying hens for use in McDonald's restaurants." It also announced the goal of setting reduction targets for medically-important antibiotics across 80 percent of its global beef supply by the end of 2020.

McDonald's did not fulfill its promise. In March 2022, it replaced its commitment to set targets for "reducing use" of medically important antibiotics with targets for the "responsible use" of the drugs.

However, if responsible use does not incorporate absolute reduction targets, then McDonald's pledge is not aligned with the WHO's imperative to achieve absolute antimicrobial reductions (inclusive of medically important antibiotics) by at least 30-50% by 2030.⁶

By changing its 2018 promise, McDonald's exposes itself to reputational risk.

Consumer demand for meat raised with limited or no antibiotics is high—surveys have found that the majority of consumers are more likely to eat at restaurants that serve such meat. U.S. producers, including Tyson, supply beef raised without antibiotics. Failure to offer meat raised with minimal antibiotics endangers McDonald's market share.

1. https://exploreanimalhealth.org/antibiotics-used-farm_animals/#:~:text=Some%20antibiotics%20are%20approved%20for.drug%20used%20in%20human%20medicine
2. https://www.cdc.gov/drugresistance/bjggest_threats.html
3. <https://www.cdc.gov/drugresistance/odVar-threats-2013-508.pdf>
4. <https://amr-review.org/sjtes/default{fjles/Antjmjcrbjals%20in%20agriculture%20and%20the%20environment%20-%20Reducing%20unnecessary%20use%20and%20waste.pdf>
5. <http://www.chicagatribune.com/business/ct-mcdonalds-antibiotjcs-0824-biz-20170823-story.html>
6. <https://www.who.int/news-room/detail/25-11-2022-quadripartite-welcomes-new-outrageous-commitments-in-fight-against-antimicrobial-resistance>

Proxy Resolutions: Environmental Health

For the full list of investors who filed this resolution, see the Index on p. 244.

Public Health Costs of Antimicrobial Resistance

Yum! Brands

A similar resolution was submitted to Restaurant Brands.

RESOLVED, shareholders ask that the board of directors institute a policy that the Company ("Yum") comply with World Health Organization ("WHO") Guidelines on Use of Medically Important Antimicrobials in Food-Producing Animals ("WHO Guidelines")¹ throughout Yum's supply chains.

SUPPORTING STATEMENT: Yum is the world's largest restaurant company and a major purchaser of meat; its policies thus have tremendous influence on the market as a whole. Some of Yum's brands have made some progress in reducing use of certain antibiotics in their poultry supply chains, and Taco Bell is working on reducing use of certain antibiotics in its U.S. and Canadian beef supply chains. While this is laudable, it falls short of the measures necessary to protect Yum's investors' diversified portfolios. The WHO Guidelines pertain to all food-producing animals in all markets.

Antibiotics overuse is known to exacerbate antimicrobial resistance ("AMR"), which the WHO describes as "one of the top 10 global public health threats facing humanity."² AMR poses a systemic threat to public health and the economy. When the efficacy and availability of life-saving drugs are compromised, the entire economy suffers. And when the economy suffers, investors lose. By 2050, AMR could cause

\$100 trillion in lost global production,³ thus lowering the economy's intrinsic value and devastating portfolio returns for institutional investors.

Yum's policies do not comport with the WHO Guidelines, which recommend that "farmers and the food industry stop using antibiotics routinely to promote growth and prevent disease in healthy animals" and provide evidence-based recommendations and best practices. Yum rightly acknowledges that robust AMR protections raise "[t]he challenge of individual costs and widely distributed societal benefits."⁴ But for diversified investors, the portfolio-wide costs associated with AMR are paramount. As the Financial Times editorial board recently stated, "What has been dubbed 'the silent pandemic' requires the intervention at a global level of investors and governments alike."⁵

Yum's decision not to prioritize broad AMR risks does not account for its diversified owners' interests in optimizing public health, the economy, and their long-term portfolio returns. By engaging meat suppliers that use medically important drugs beyond WHO Guidelines, Yum adds to the economic threat AMR poses to its diversified shareholders: reducing the economy's intrinsic value will directly reduce diversified portfolios' long-term returns.⁶ Yum's profit gain that comes at the expense of public health is a bad trade for Yum's diversified shareholders, who rely on broad economic growth to achieve their financial objectives.

By changing its policies and adhering to the WHO Guidelines, Yum could save lives, contribute to a more resilient economy, and protect its diversified investors' portfolios.

1. <https://apps.who.int/iris/bitstream/handle/10665/258970/9789241550130-eng.pdf>
2. <https://www.who.int/news-room/fact-sheets/detail/antimicrobial-resistance>
3. <https://theshareholdercommons.com/case-studies/amr-case-study/>
4. <https://www.yum.com/wps/wcm/connect/yumbrands/41a69d9d-5f66-4a68-bdee-e60d138bd741/Antimicrobial+Resistance+Report+2021+11-4+-+final.pdf?MOD=AJPERES&CVID=nPMkceo>
5. <https://www.ft.com/content/158aa07a-ff5a-4bd0-8248-3b4fa86492c8>
6. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Health Equity

CCR's members see the equitable access to health care as a human right and ask portfolio companies to assess how their business operations, services, and products align with that vision. For decades, members have engaged leading pharmaceutical companies on concerns related to access and affordability of medicines, vaccines, and other health technologies. Most recently, our focus has been on how patent misuse may drive higher prices and inhibit access to medicines. We have also begun to call upon technology companies to prevent and mitigate the algorithmic harms that occur through the use of AI in healthcare settings. Our members also continue to press food and beverage companies, casual restaurant chains, and retailers to increase their offerings of affordable nutritious foods to improve health outcomes worldwide.

This year our members filed 17 health equity proposals, with new asks using an explicit human rights lens. In addition, pharma companies also received several proposals calling for disclosure of their lobbying expenditures, which are discussed in the Guide on page 221.

Health Equity

17

Proposal Topic	Quantity
For the full list of investors who filed these resolutions, see p. 244.	
Patents and Access	6
Assess and Mitigate Potential Health Harms from Non-Sugar Substitutes	2
Human Rights Policy	2
AI Transparency Report	1
Discarded Cigarette Pollution	1
Enterprise Policy on Healthiness of Products	1
Human Rights Impact Assessment	1
Impact of Racial and Ethnic Disparities in UHG's business	1
Inclusive Healthcare Coverage	1
Public Health Costs Created by the Sale of Tobacco Products	1

Patents and Access

When patent protection on a drug ends, generics manufacturers can release their own formulations, reducing prices for consumers. But to delay competition and increase their profit margins, branded drug manufacturers often deploy "patent thickets" of many secondary and tertiary patents to artificially extend exclusivity on a given drug. AbbVie for instance, has raised the price of its top-selling Humira 27 times; the company has been granted 130 patents on Humira alone, most of them secondary patents, which extends its exclusivity period by 19 years.

ICCR members asked six companies—AbbVie, Eli Lilly, Gilead Sciences, Johnson & Johnson, Merck and Pfizer—to establish processes by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents.



Proxy Resolutions: Health Equity



Laura Krausa
System Director Advocacy Programs
CommonSpirit Health

In the U.S. in 2022, health care was 17.3% of the country's GDP. Healthcare expenditures reached \$4.5T, and prescription drug spending increased 8.4%, totaling nearly \$406B. Despite this spending, health outcomes are dismal in comparison with other high-income countries, with the U.S. ranking last in access to care, equity and health outcomes.

Though there are many contributing factors to this problem, the absence of one foundational tenet is responsible for much of our dysfunctional system. Quite simply, health care in the U.S., and in countries around the globe is seen as a privilege and not as a human right.

Absent laws and regulations that would transform this reality, it is incumbent upon corporations in the business of health to ensure that their practices and products are not contributing to a broken system that produces brutal inequity and unforgivable disparities in outcomes.

This proxy season members of ICCR's Health Equity Group have filed resolutions with pharmaceutical companies calling for transformative solutions. **Dedicated human rights commitments** enshrined in policies and monitored in impact assessments, as well as practices that prevent misuse of the patenting system are just two of the ways in which pharmaceutical companies can uphold and promote access and affordability of medicines. Still other resolutions filed by the group this year address adverse health outcomes and impacts of products on health, but all are fundamentally connected in recognizing the human right to health care.

The Human Right to Health

The UN Special Rapporteur on the Right to Health has made clear that the responsibility for ensuring and increasing access to medicines rests with both states and pharmaceutical companies, and recommends that corporations "adopt a human rights policy statement which expressly recognizes the importance of human rights generally, and the right to the highest attainable standard of health, in particular."

ICCR members asked Bristol-Myers Squibb and Eli Lilly to adopt comprehensive human rights policies referencing internationally recognized human rights standards that include the right to the highest attainable standard of physical and mental health.

ICCR members asked also Pfizer to conduct human rights due diligence to produce a human rights impact assessment covering the company's operations, activities, business relationships and products.

Impact of Racial and Ethnic Disparities on Business

According to the CDC, racial and ethnic minority groups experience higher rates of illness and death across a wide range of health conditions when compared to their white counterparts. Black and Latina women also face higher pre-conception and maternal health risks compared to other groups. UnitedHealth, which provides behavioral health services to 43 million Americans, faces significant risk from racial and ethnic disparities in its behavioral health business.

ICCR members asked UnitedHealth Group to conduct a third-party audit analyzing the racial and ethnic disparities of its business.



Lydia Kuykendal
*Director of Shareholder Advocacy,
Mercy Investment Services*

According to the Centers for Disease Control, racial and ethnic minority groups experience higher rates of illness and death across a wide range of health conditions when compared to their white counterparts. Black and Latina women also face higher pre-conception and maternal health risks than other groups. A recent Deloitte study found that **racial inequities cost \$320B annually in health care spending**. UnitedHealth Group (United), as the largest health insurance provider in the United States, has a responsibility to address disparities in its own membership, thereby reducing health inequities nationwide.

Shareholders would benefit from disclosure and transparency regarding whether the company's efforts to build health equity and reduce disparities are, in fact, reducing disparities in the care provided to United's members. We believe that by reporting to shareholders about progress in the elimination of racially and ethnically disparate health outcomes in its membership, United can best serve its investors' long-term goals and interests.

The company's public statements reinforce our views. In "Focusing on Health Equity Makes Sense from the Head to the Heart", United stated that "working to address health disparities is not only the right thing to do but it can also be an effective cost-management strategy. In fact, employers with strong Environmental, Social and Governance agendas—which can include health equity efforts—have seen boosts in their bottom line, productivity, and in their ability to attract and retain talent."

We are calling on the company to support its words with actions and publish the results of a third-party audit that examines the impact of its policies, procedures, products, and practices on reducing racial and ethnic disparities throughout its business.

Enterprise Policy on Healthiness of Products

Until now, the Coca Cola Company has focused exclusively on its products' sugar and calorie content. Unlike its peers, the company does not use a Nutrient Profiling Model to track its products' fiber, protein, fat, salt and micronutrient content, failing to address competitive risks.

ICCR members asked the Coca Cola Company to adopt an enterprise-wide policy to move toward more healthy products beyond just sugar reduction, including an assessment of its current product portfolio, with targets, timelines and metrics.

AI Transparency Report

STAT News has found that predictive algorithms/AI are used to deny patients care without their knowledge, often under the guise of "scientific rigor". Before it was acquired by UnitedHealth Group, Navi Health was reportedly used by health insurance companies to mine medical data and delay or outright deny care.

ICCR members asked UnitedHealth Group to issue a transparency report explaining the company's use of AI and the board's associated oversight role, as well as to disclose any ethical AI guidelines the company may have adopted.

Assess and Mitigate Potential Harms from Non-Sugar Substitutes

The W.H.O. has linked non-sugar substitutes to increased risk of type 2 diabetes. The Rudd Center has found that both Coca-Cola and Pepsi disproportionately target Hispanic and Black youth in the U.S. when marketing high-calorie, low-nutrient products.

Investors asked Coca-Cola and PepsiCo to report on their efforts to assess and mitigate potential health harms associated with the use of non-sugar sweeteners.

Proxy Resolutions: Health Equity

For the full list of investors who filed this resolution, see the Index on p. 244.

Patents and Access

Pfizer, Inc.

A similar resolution was submitted to Lilly and Company

RESOLVED, that shareholders of Pfizer, Inc (Pfizer) request the Board of Directors to establish and report on a process by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents. Secondary and tertiary patents are patents applied for after the main active ingredient/molecule patent(s) and which relate to the product. The report on the process should be prepared at reasonable cost, omitting confidential and proprietary information, and be published on Pfizer's website.

SUPPORTING STATEMENT: A 2021 Congressional Research Services report stated: Intellectual property rights play an important role in the development and pricing of prescription drugs and biologics.¹ When patent protection on a drug ends, generic manufacturers can enter the market, reducing prices. According to the report, branded drug manufacturers may try to delay generic competition and impact access by extending their exclusivity periods.

In part because of this behavior, access to medicines is the subject of consistent and widespread public debate in the U.S. A 2021 Rand Corporation analysis concluded that U.S. prices for branded drugs were nearly 3.5 times higher than prices in 32 OECD member countries.² The Kaiser Family Foundation has consistently found prescription drug costs to be an important health policy area of public interest and public concern.³

This high level of concern has driven policy responses. The Inflation Reduction Act empowers the federal government to negotiate some drug prices, and in fact some have argued it enacts significant patent reform, specifically around the issue this proposal seeks to understand. This comes from one important provision stating that the only drugs that can be considered for price negotiations are those with no generic competition, thus discouraging extended patent exclusivities.

One law firm asserts that prevailing in a patent infringement lawsuit against a forthcoming competitor may no longer be as valuable for a branded drug company because high-expenditure single-source drugs are at risk of being selected for price negotiation if there is no generic or biosimilar competitor on the market.⁴

Additionally, there are 5 U.S. Senate bipartisan bills all aimed at addressing this issue:

- Ensuring Timely Access to Generics Act of 2023 (S. 1067)
- Expanding Access to Low-Cost Generics Act of 2023 (S. 1114)
- Increasing Transparency in Generic Drug Applications Act of 2023 (S. 775)
- Preserve Access to Affordable Generics and Biosimilars Act of 2023 (S. 142)
- Stop STALLING Act of 2023 (S. 148)

In our view, a process that considers the impact of extended exclusivity periods on patient access would ensure that Pfizer considers not only whether it can apply for secondary and tertiary patents but also whether it should do so. Such a process could, we believe, bolster Pfizer's reputation and help avoid regulatory blowback resulting from high drug prices and perceptions regarding abusive patenting practices.

1. [https://crsreports.congress.gov/product/pdf/R/R46679#:~:text=Intellectual%20property%20\(IP\)%20rights%20play,higher%2Dthan%2D%20competitive%20prices](https://crsreports.congress.gov/product/pdf/R/R46679#:~:text=Intellectual%20property%20(IP)%20rights%20play,higher%2Dthan%2D%20competitive%20prices).

2. <https://www.rand.org/news/press/2021/01/28.html>

3. <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>

4. <https://www.akingump.com/en/insights/alerts/the-impact-of-the-inflation-reduction-act-of-2022-on-pharmaceutical-innovation-patent-litigation-and-market-entry>

Proxy Resolutions: Health Equity

For the full list of investors who filed this resolution, see the Index on p. 244.

Patents and Access

Johnson & Johnson

A similar resolution was submitted to Gilead Sciences, Inc.

RESOLVED, that Johnson & Johnson (JNJ) shareholders ask the Board of Directors to establish and report on a process by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents. Secondary and tertiary patents are patents applied for after the main active ingredient/molecule patent(s) and which relate to the product. The report on the process should be prepared at reasonable cost, omitting confidential and proprietary information, and be made public.

SUPPORTING STATEMENT: Intellectual property protections on branded drugs play an important role in maintaining high prices and impeding access. When patent protection on a drug ends, generic manufacturers can enter the market, reducing prices. But branded drug manufacturers may try to delay generic competition by extending their exclusivity periods.

In part because of this behavior access to medicines is the subject of consistent and widespread public debate in the U.S. A 2021 Rand Corporation analysis concluded that U.S. prices for branded drugs were nearly 3.5 times higher than prices in 32 OECD member countries.¹ The Kaiser Family Foundation has consistently found prescription drug costs to be an important health policy area of public interest and public concern.²

This high level of concern has driven policy responses. The Inflation Reduction Act empowers the federal government to negotiate some drug prices, and in fact some have argued it enacts significant patent reform, specifically around the issue this proposal seeks to understand. This comes from one important provision stating that the only drugs that can be considered for price negotiations are those with no generic competition, thus discouraging extended patent exclusivities.

One law firm asserts that prevailing in a patent infringement lawsuit against a forthcoming competitor may no longer be as valuable for a branded drug company because high-expenditure single-source drugs are at risk of being selected for price negotiation if there is no generic or biosimilar competitor on the market.³

Additionally, there are 5 U.S. Senate bipartisan bills all aimed at addressing this issue:

- Ensuring Timely Access to Generics Act of 2023 (S. 1067)
- Expanding Access to Low-Cost Generics Act of 2023 (S. 1114)
- Increasing Transparency in Generic Drug Applications Act of 2023 (S. 775)
- Preserve Access to Affordable Generics and Biosimilars Act of 2023 (S. 142)
- Stop STALLING Act of 2023 (S. 148)

Specifically, JNJ sells Remicade, a biologic drug that treats inflammatory disorders. Although biosimilar competitors have now launched,⁴ Remicade has been cited as an example of a patent thicket, with over 100 patents.⁵ With AbbVie, JNJ jointly markets cancer treatment Imbruvica, which had 165 patent applications and 88 granted patents as of July 2020.⁶

In our view, recent policy changes and reputational hits around bedaquiline availability⁷ shows that a more thoughtful process could bolster JNJ's reputation and help avoid regulatory blowback resulting from high drug prices and perceptions regarding abusive patenting practices.

1. <https://www.rand.org/news/press/2021/01/28.html>
2. <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>
3. <https://www.akingump.com/en/insights/alerts/the-impact-of-the-inflation-reduction-act-of-2022-on-pharmaceutical-innovation-patent-litigation-and-market-entry>
4. See <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000200406/000020040622000022/jnj-20220102.htm>, at 25.
5. See <https://www.bloomberg.com/news/articles/2017-09-07/this-shield-of-patents-protects-the-world-s-best-selling-drug>
6. <http://www.i-mak.org/wp-content/uploads/2020/08/I-MAK-Imbruvica-Patent-Wall-2020-07-42F.pdf>
7. <https://msfaccess.org/msf-calls-commitment-pharma-corporation-jj-not-enforce-extended-patents-lifesaving-tb-drug-main>

Patents and Access

AbbVie

RESOLVED, that shareholders of AbbVie Inc. (AbbVie) ask the Board of Directors to establish and report on a process by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents. Secondary and tertiary patents are patents applied for after the main active ingredient/molecule patent(s) and which relate to the product. The report on the process should be prepared at reasonable cost, omitting confidential and proprietary information, and published on AbbVie's website.

SUPPORTING STATEMENT: Intellectual property protections on branded drugs play an important role in maintaining high prices and impeding access. When patent protection on a drug ends, generic manufacturers can enter the market, reducing prices. But branded drug manufacturers may delay generic competition by extending their exclusivity periods.

Access to medicines, especially costly specialty drugs, is the subject of consistent and widespread public debate in the U.S. A 2021 Rand Corporation analysis concluded that U.S. prices for branded drugs were nearly 3.5 times higher than prices in 32 OECD member countries.¹ The Kaiser Family Foundation has consistently found prescription drug costs to be an important health policy area of public interest and public concern.²

This high level of concern has driven policy responses. The Inflation Reduction Act empowers the federal government to negotiate some drug prices, and in fact some have argued it enacts significant patent reform, specifically around the issue this proposal seeks to understand. This comes from one important provision stating that the only drugs that can be considered for price negotiations are those with no generic competition, thus discouraging extended patent exclusivities.

Additionally, five Senate bipartisan bills aim to speed access to generics:

- Ensuring Timely Access to Generics Act of 2023 (S. 1067)
- Expanding Access to Low-Cost Generics Act of 2023 (S. 1114)
- Increasing Transparency in Generic Drug Applications Act of 2023 (S. 775)
- Preserve Access to Affordable Generics and Biosimilars Act of 2023 (S. 142)
- Stop STALLING Act of 2023 (S. 148)

AbbVie also faces potential significant legal risk as one of several companies the Federal Trade Commission has issued letters to claiming the Company improperly listed patents in the Food and Drug Administration's 'Orange Book' in order to block generic rivals.³

AbbVie has raised the price of Humira, its top-selling drug, 27 times since its launch. One hundred and thirty patents, most of them secondary patents, have been granted on Humira, extending its exclusivity period by 19 years.⁴ AbbVie touted to investors in a 2015 presentation that challenging any of Humira's patents in litigation would take four to five years.⁵

In our view, a more thoughtful process that considers the impact of extended exclusivity periods on patient access could bolster AbbVie's reputation and help avoid regulatory blowback resulting from high drug prices and perceptions regarding abusive patenting practices.

1. <https://www.rand.org/news/press/2021/01/28.html>

2. <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>

3. <https://pharmaphorum.com/news/ftc-challenges-dozens-improper-us-drug-patents>

4. <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/DRUG%20PRICING%20REPORT%20WITH%20APPENDIX%20v3.pdf>, at ix, 17.

5. <https://investors.abbvie.com/static-files/af79eef2-5901-4b62-9354-982d2d95404e>, slide 16

Patents and Access

Merck & Co., Inc.

RESOLVED, that Merck & Co. Inc, (Merck) shareholders ask the Board of Directors to establish and report on a process by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents. Secondary and tertiary patents are patents applied for after the main active ingredient/molecule patent(s) and which relate to the product. The report on the process should be prepared at reasonable cost, omitting confidential and proprietary information, and published on Merck's website.

SUPPORTING STATEMENT: Intellectual property protections on branded drugs play an important role in maintaining high prices and impeding access. When patent protection on a drug ends, generic manufacturers can enter the market, reducing prices. But branded drug manufacturers may delay generic competition by extending their exclusivity periods.

This behavior impedes access to medicines, especially costly specialty drugs. A 2021 Rand Corporation analysis concluded that U.S. prices for branded drugs were nearly 3.5 times higher than prices in 32 OECD member countries.¹ The Kaiser Family Foundation has consistently found prescription drug costs to be an important health policy area of public interest and public concern.²

The Inflation Reduction Act (IRA) empowers the federal government to negotiate some drug prices, and some have argued it enacts significant patent reform, specifically around the issue this proposal addresses. This comes from one important provision of the IRA providing that the only drugs that can be considered for price negotiations are those with no generic competition, thus discouraging extended patent exclusivities.

One law firm asserts that prevailing in a patent infringement lawsuit against a forthcoming competitor may no longer be as valuable for a branded drug company because high-expenditure single-source drugs are at risk of being selected for price negotiation if there is no generic or biosimilar competitor on the market.

Additionally, there are 5 U.S. Senate bipartisan bills all aimed at addressing this issue:

1. Ensuring Timely Access to Generics Act of 2023 (S. 1067)
2. Expanding Access to Low-Cost Generics Act of 2023 (S. 1114)
3. Increasing Transparency in Generic Drug Applications Act of 2023 (S. 775)
4. Preserve Access to Affordable Generics and Biosimilars Act of 2023 (S. 142)
5. Stop STALLING Act of 2023 (S. 148)

Merck's bestseller Keytruda has 95 secondary patents. 40% of Merck's patent applications on Keytruda relate to methods of production and processes that can be used to manufacture the drug, which thwarts competition, after the primary patent on the drug has expired.³

A process that analyzes how extended exclusivity periods impact patient access would ensure that Merck abides by its commitment to Patients First,⁴ when deciding whether to apply for secondary patents. Merck's current approach may expose Merck to serious regulatory risks, given the bipartisan slate of bills aimed to combat rising drug prices. Additionally, public perception that Merck may have engaged in abusive patenting practices cannot be ignored.

1. <https://www.rand.org/news/press/2021/01/28.html>

2. <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>

3. See <http://www.i-mak.org/wp-content/uploads/2021/05/i-mak.keytruda.report-2021-05-06F.pdf>, at 3.

4. <https://www.merck.com/company-overview/#:~:text=Patients%20first,Patients%20first,use%20or%20need%20o ur%20products>

AI Transparency Report

UnitedHealth Group Inc.

RESOLVED: Shareholders request that UnitedHealth Group (“UHG”) prepare and publicly disclose on the Company’s website a transparency report that explains the Company’s use of Artificial Intelligence (“AI”) in its business operations and the Board’s role in overseeing AI usage and sets forth any ethical guidelines that the company has adopted regarding its use of AI. This report shall be prepared at a reasonable cost and omit information that is proprietary, privileged, or violative of contractual obligations.

SUPPORTING STATEMENT: The rapid development of AI in the insurance sector has raised significant social policy concerns and legal risks for the corporation¹, including potential discrimination or bias in coverage decisions², employment decisions, mass layoffs due to job automation, facility closures, the misuse and disclosure of private data, and the potential for false information³.

A STAT investigation⁴ reported that using unregulated predictive algorithms under the guise of scientific rigour is denying care to patients without their knowledge and regardless of whether they need the treatment. Before being acquired by UHG, Navi Health was reportedly used by health insurance companies to mine medical data and predict how many hours of therapy patients would need, which types of doctors they might see, and exactly when they could leave a hospital or nursing home. Recently,⁵ a report suggested that Navi Health continues to use algorithms to delay or deny care for seniors in need despite being eligible for Medicare Advantage plans.

AI presents opportunities for competitive advantage and innovation while also presenting significant potential for risks. The use of AI raises compliance issues that require board oversight⁶. Boards need to understand and stay apprised of the various legislative and regulatory initiatives by the governments and oversee the company’s compliance as well as the development of relevant policies, information systems, and internal controls to ensure that AI use is consistent with legal, regulatory, and ethical obligations, with appropriate safeguards to protect against potential risks.

Transparency about that oversight and risk management is important for building trust with customers and investors. It helps those affected by AI decisions to understand the underlying reasons as well as how the decisions affect them⁷. To ensure greater transparency, the company should commit to preparing a transparency report and responsible disclosures regarding AI systems to relevant stakeholders. The proactive disclosures must include the kind of data being used, the purpose of the data in the AI system and the company’s assessment of consequences for all stakeholders. This way, UHG could establish that it uses AI in a safe, responsible, and ethical manner that complements rather than replaces the work of its employees and values the public interest.

For these reasons, we urge you to vote FOR this proposal.

1. <https://www.genevaassociation.org/sites/default/files/2023-09/Regulation%20of%20AI%20in%20insurance.pdf>
2. <https://www.actuary.org/sites/default/files/2023-08/risk-brief-discrimination.pdf>
3. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8826344/>
4. <https://www.statnews.com/2023/03/13/medicare-advantage-plans-denial-artificial-intelligence/#~:text=Health%20insurance%20companies%20have%20rejected,more%20than%2031%20million%20people.>
5. <https://justcareusa.org/corporate-health-insurers-use-navihealth-algorithms-to-deny-care-in-medicare-advantage-plans/>
6. <https://www.forbes.com/sites/michaelperegrine/2023/11/08/the-strong-case-for-board-oversight-of-artificial-intelligence/>
7. The Geneva Association. 2020. Promoting Responsible Artificial Intelligence in Insurance. Author: Benno Keller. January. https://www.genevaassociation.org/sites/default/files/ai_in_insurance_web_0.pdf

Human Rights Impact Assessment

Pfizer

RESOLVED, that shareholders of Pfizer Inc. ("Pfizer") urge the board of directors to oversee conduct of human rights due diligence ("HRDD") to produce a human rights impact assessment ("HRIA") covering Pfizer's operations, activities, business relationships, and products. The HRIA should be prepared at reasonable cost and omitting confidential and proprietary information and made available on Pfizer's web site. The HRIA should describe actual and potential adverse human rights impacts identified in the course of HRDD; identify rightsholders that were consulted; and discuss whether and how the results of the HRIA will be integrated into Pfizer's operations and decision making.

SUPPORTING STATEMENT: Pfizer has adopted a Human Rights Policy Statement ("Policy") in which it commits to "respecting internationally recognized human rights throughout [its] operations." The Universal Declaration of Human Rights states, "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including...medical care."¹ Article 12.1 of the International Covenant on Economic, Social, and Cultural Rights "recognize[s] the right of everyone to the enjoyment of the highest attainable standard of physical and mental health."²

Access to medicines is a key element of the right to health. Target 3.8 of Sustainable Development Goal 3 assesses progress toward "access to safe, effective, quality and affordable essential medicines and vaccines for all."³ The UN Special Rapporteur on the Right to Health has made clear that responsibility for increasing access to medicines is shared between states and pharmaceutical firms.⁴

The Policy recognizes the salience of the right to health, stating, "As a biopharmaceutical company, the right to health is of paramount importance." More specifically, the Policy states that its "core focus areas underpinning the right to health are: Access & Affordability, Intellectual Property Protection, Clinical Trials, and Disease Awareness and Health Literacy." Programs aimed at promoting access to medicine are listed, such as "working with payers to explore new business models such as linking reimbursement to the performance of our medicines ... patient assistance programs, differentiated pricing, and, in certain circumstances, donations to help the most vulnerable patients access the medicines they need."⁵

The Policy references the UN Guiding Principles on Business and Human Rights ("UNGPs"). The UNGPs state that to satisfy their obligation to respect human rights, companies should establish an HRDD process by which human rights impacts can be identified, prevented, mitigated and remedied. Pfizer does not appear to have conducted any HRDD regarding its own operations or those of its suppliers. HRDD would go beyond the "routine evaluations and onsite assessments" mentioned on Pfizer's Responsible Sourcing web page,⁶ since HRDD engages rightsholders and digs deeper to understand root causes, enabling companies to prevent further impacts.⁷ Conducting HRDD would also enable Pfizer to identify impacts of its own operations, such as shortcomings in programs aimed at fulfilling Pfizer's commitment to access and affordability.

1. <https://www.ohchr.org/en/human-rights/universal-declaration/translations/english>
2. www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights; <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7605313/>
3. www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf
4. <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N06/519/97/PDF/N0651997.pdf?OpenElement>, paras. 82-93.
5. https://cdn.pfizer.com/pfizercom/about/Human_Rights_Policy_Statement_2023.pdf
6. <https://www.pfizer.com/about/partners/B2B-and-suppliers/responsible-sourcing>
7. <https://www.ethicaltrade.org/audits-and-beyond>; <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8612825/>

Human Rights Policy

Bristol-Myers Squibb Company

A similar resolution was submitted to Eli Lilly.

RESOLVED, that shareholders of Bristol-Myers Squibb Company (BMS or the Company) urge the board of directors to adopt a comprehensive human rights policy, referencing internationally recognized human rights standards, that applies to both its own operations and its suppliers that includes the right to the highest attainable standard of physical and mental health and establishes a process to identify, prevent, mitigate, and remedy adverse human rights impacts, above and beyond supplier audits, including consultation with stakeholders.

SUPPORTING STATEMENT: BMS currently has a Position on Human Rights (Position), which states that BMS fully supports the principles established under the United Nations Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.¹ BMS also has issued Standards of Business Conduct and Ethics for Third Parties (the Standards) in which the Company sets forth expectations for suppliers. Neither the Position nor the Standards mentions the human right to health—the right of everyone to the enjoyment of the highest attainable standard of physical and mental health—as recognized in Article 12.1 of the International Covenant on Economic, Social, and Cultural Rights (ICESCR).²

Access to medicines is a key component of the right to health.³ Target 3.8 of Sustainable Development Goal 3 assesses progress toward access to safe, effective, quality and affordable essential medicines and vaccines for all.⁴ The UN Special Rapporteur on the Right to Health has made clear that responsibility for increasing access to medicines is shared between states and pharmaceutical firms⁵ and recommends that firms should adopt a human rights policy statement which expressly recognises the importance of human rights generally, and the right to the highest attainable standard of health in particular.⁶ Novartis has adopted a human rights commitment statement that incorporates the right to health, including access to medicine, and references the ICRSCR.⁷ BMS, as a global pharmaceutical firm, should do so as well.

Although BMS has disclosed information about its access programs⁸ and management systems,⁹ it does not explain in the Position or Standards how it implements its support for human rights. A process to identify, prevent, mitigate, and remedy adverse human rights impacts—human rights due diligence defined by the U.N. Guiding Principles on Business and Human Rights—is a key part of a comprehensive human rights policy. The Pharmaceutical Supply Chain Initiative Principles, which BMS says it supports,¹⁰ contemplate supplier audits,¹¹ whose effectiveness has been questioned.¹² Including a human rights due diligence process in its human rights policy, as Novartis has done,¹³ would enable BMS to identify potential impacts before they occur, track its human rights performance, and embed human rights in its operations.

1. <https://www.bms.com/about-us/sustainability/social-progress/human-rights.html>
2. www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights; <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7605313/>
3. https://www.hsph.harvard.edu/wp-content/uploads/sites/580/2012/10/marks_access_to_essential_medicines-2009.pdf
4. www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf
5. <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N06/519/97/PDF/N0651997.pdf?OpenElement>, paras. 82-93.
6. [https://www.ohchr.org/Documents/Issues/Health/GuidelinesForPharmaceuticalCompanies.doc](http://www.ohchr.org/Documents/Issues/Health/GuidelinesForPharmaceuticalCompanies.doc)
7. <https://www.novartis.com/sites/novartiscom/files/novartis-human-rights-commitment-statement.pdf>
8. <https://www.bms.com/patient-and-caregivers/get-help-paying-for-your-medicines.html>; <https://www.bms.com/about-us/responsibility/position-on-key-issues/pricing.html>; <https://www.bms.com/assets/bms/us/en-us/pdf/bmy-2021-esg-report.pdf>, at 23.
9. <https://www.bms.com/assets/bms/us/en-us/pdf/standards/English-3PStandards.pdf>
10. <https://www.bms.com/about-us/sustainability/social-progress/our-suppliers.html>
11. <https://pscinitiative.org/sharedAudits>
12. https://www.ajosteniblebcn.cat/human-rights-due-diligence-in-global-supply-chains_28919.pdf, at 14; <https://shiftproject.org/resource/from-audit-to-innovation-advancing-human-rights-in-global-supply-chains/>, at 8
13. <https://www.novartis.com/sites/novartiscom/files/novartis-human-rights-commitment-statement.pdf>

Impact of Racial and Ethnic Disparities in Business

UnitedHealth Group

RESOLVED: Shareholders urge the board of directors to oversee a third-party audit analyzing the racial and ethnic disparities in UnitedHealth Group Inc.'s (United) business, and the effect of those disparities on United's business. The report should include data on the extent of racial and ethnic disparities in health outcomes of United's membership across its government programs and commercial lines of business. The audit should be conducted by an independent third party with input from employees, customers, and other stakeholders and include efforts being taken by United to address such disparities and improve outcomes. A report on the audit should be prepared at reasonable cost in the next year, omit confidential and propriety information, and be publicly disclosed on United's website.

WHEREAS: According to the CDC, racial and ethnic minority groups experience higher rates of illness and death across a wide range of health conditions when compared to their white counterparts. Black and Latina women also face higher preconception and maternal health risks than other groups. A recent Deloitte study found racial inequities costs \$320B annually in health care spending.¹ United, as the largest health insurance provider in the United States, providing health services to 150 million Americans, stands to benefit from addressing disparities in its own membership, and thereby reducing health inequities nationwide.

Additionally, mental health outcomes show significant racial disparities, particularly in Native American populations. In fact, Native Americans report experiencing serious psychological distress 2.5 times more than the general population over a month's time. United provides behavioral health services to 43 million Americans and faces significant risk from racial and ethnic disparities in its behavioral health business, particularly in its Medicaid Managed Care business. One study reported 40% of nonelderly Medicaid adult members had a mental health or substance use disorder in 2020.²

In "Focusing on Health Equity Makes Sense from the Head to the Heart," United stated that "working to address health disparities is not only the right thing to do but it can also be an effective cost-management strategy. In fact, employers with strong Environmental, Social and Governance agendas—which can include health equity efforts — have seen boosts in their bottom line, productivity and in their ability to attract and retain talent."

Shareholders would benefit from disclosure and transparency into whether the company's efforts to build health equity and reduce disparities are, in fact, reducing disparities in the care provided to United's members. We believe that by reporting to shareholders about progress in the elimination of racially and ethnically disparate health outcomes in the membership, United can best serve its investors' long-term goals and interests.

Accordingly, we urge United to conduct a third-party audit to examine the impact of its policies, practices, products, and procedures on reducing racial and ethnic disparities throughout its business.

1. <https://www2.deloitte.com/us/en/insights/industry/health-care/economic-cost-of-health-disparities.html>

2. <https://www.kff.org/mental-health/issue-brief/medicaid-coverage-of-behavioral-health-services-in-2022-findings-from-a-survey-of-state-medicaid-programs/>

Inclusive Healthcare Coverage Policy

J.B. Hunt Transport Services

RESOLVED: To address LGBTQ+ inequality in society and employment, shareholders of J.B. Hunt Transport Services, Inc. (“Company”) ask the Company to adopt and publicly disclose a policy (with details and timing at the discretion of the Company) of equitable healthcare coverage for all employees, regardless of sexual orientation or gender identity.

The American Trucking Association estimated in 2022 that the industry lacks 78,000 drivers and may lack 160,000 drivers in 2031, with shortages most acute for longer-haul trucking.¹ Multiple factors contribute to the shortage, but the high average age of drivers and benefits are noted as detractors. Globally, there are five times as many drivers 55 years old or older than younger ones and lacking benefits deter candidates.²

The trucking industry is diversifying and the LGBTQ+ community is one potential source of new drivers but there may be barriers.³ According to the Human Rights Campaign’s 2022 Corporate Equality Index, J.B. Hunt lags others in providing an inclusive workplace.⁴ The Index reports that the Company doesn’t offer equal health coverage for transgender individuals or equivalency in same- and different-sex domestic partner benefits. Conversely, 86 percent of 1,200 CEI-rated businesses offer transgender-inclusive health coverage, whereas 77 percent offer inclusive benefits for same- and different-sex spouses and partners.

Affirmative transgender-inclusive healthcare benefits may include hormone replacement therapies, mental health services, surgical reconstruction, and other medically necessary procedures. While the Affordable Care Act removed categorical exclusions of gender-related care, insurers can still restrict some care for being “cosmetic” or “not medically necessary.”⁵ Providing domestic partner benefits is also considered best practice in the absence of full nondiscrimination policies nationwide.⁶

The Company discusses “difficulty in attracting and retaining drivers and delivery personnel” as a risk in its 10-K and its commitment to “supporting the health of its workforce, which includes access to high quality benefits” in its 2023 proxy. It is unclear in Company reporting whether equitable healthcare coverage is offered.

LGBTQ+ inclusion is a national issue with anti-transgender legislation being prominent. The discrimination, harassment, and structural barriers transgender people face lead to poorer health outcomes such as chronic disease, mental health problems, and substance abuse.⁷ The added stress for LGBTQ+ employees or employees with LGBTQ+ children is high, affecting their well-being and productivity.

Additional costs associated with adding inclusive benefits are reportedly low. In a survey of 34 CEI-rated companies of varying sizes, 85 percent reported no costs involved with adding transgender coverage.⁸ From a long-term shareholder value perspective, we believe companies adding inclusive benefits reflect their commitment to diversity and inclusion and may make them more competitive employers that are better positioned to recruit and retain employees.

1. https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf
2. <https://www.ajot.com/news/the-truck-driver-shortage-in-the-us-continues>
3. <https://www.npr.org/2023/07/22/1189580630/trucking-is-getting-more-diverse-partly-due-to-a-nationwide-shortage-of-drivers>
4. https://reports.hrc.org/corporate-equality-index-2022?_ga=2.50746473.155475922.1664484882-73899178.1663097317
5. <https://www.americanprogress.org/article/advancing-health-care-nondiscrimination-protections-for-lgbtqi-communities/>
6. https://assets2.hrc.org/files/assets/resources/HEI_2017_Case_for_DP_Benefits.pdf?_ga=2.58544489.233483072.1650475140-481851707.1600674840
7. <https://www.americanprogress.org/article/protecting-advancing-health-care-transgender-adult-communities/>
8. <https://williamsinstitute.law.ucla.edu/publications/trans-employee-transition-coverage/>

Assess and Mitigate Potential Health Harms from Non-Sugar Substitutes

PepsiCo, Inc.

A similar resolution was submitted to The Coca Cola Co.

RESOLVED, Shareholders of PepsiCo, Inc. (PepsiCo) request the Board of Directors issue a third party assessment by November 1, 2024, at reasonable expense and excluding proprietary information, on PepsiCo's efforts to assess and mitigate potential health harms associated with the use of non-sugar sweeteners (NSS).

The report should cover how PepsiCo evaluates potential health impacts of NSS in its products, including the safety authorities relied upon for NSS guidance, and PepsiCo's affiliation with and/or financial support of researchers or research institutions, international agencies, or reporting/regulatory bodies studying or making health or safety recommendations about NSS.

WHEREAS, The Access to Nutrition Initiative Global Index 2022 ranked PepsiCo's product profile 7th among 11 food and beverage companies with a Healthy Score Rating of 2.2 out of 5.

The World Health Organization (WHO) recently recommended against the use of NSS to control body weight or reduce the risk of noncommunicable diseases.¹ Based on a 2022 meta-analysis, this report demonstrated the use of NSS does not confer any long-term benefit in reducing body fat in adults or children and suggests that there may be potential undesirable effects from long-term use of NSS, such as an increased risk of type 2 diabetes, cardiovascular diseases, and mortality in adults. PepsiCo's Chief Financial Officer responded to WHO's 2023 Warning that aspartame is a possible carcinogen by stating there are no intentions to change PepsiCo's product portfolio.²

The International Agency for Research on Cancer recently classified Aspartame—prominently used as an NSS in PepsiCo low- and no-sugar beverages—as possibly carcinogenic to humans.³

A British Medical Journal study warned that NSS should not be considered a healthy or safe alternative to sugar.⁴ A 2021 study noted that the combination of Aspartame and sweetener acesulfame-K, both contained in Pepsi Zero, has been shown to increase DNA damaging activity, the risk of cardiovascular and cerebrovascular diseases.⁵

A 2022 Rudd Center Report found that PepsiCo disproportionately targeted Hispanic and Black youth in the United States when marketing high calorie, low nutrient products.

The 2022 report documented that:

- Out of 19 Food & Beverage companies, PepsiCo spent the most on TV advertising;
- PepsiCo spent the most on Black-targeted TV channels (\$12.1 million) in 2021; and
- While PepsiCo reduced their overall advertising spend, PepsiCo increased their advertising spend on Spanish language TV channels by 86% in 2021, when compared to 2017.⁶

Black consumers are 60% more likely to be diagnosed with diabetes than non-Hispanic whites, so PepsiCo's advertising strategy targets a vulnerable population further, by recommending potentially harmful NSS as the healthier choice.⁷

pep+ (PepsiCo Positive) is the future of our company, says PepsiCo Chairman. Positive change for the planet and people requires PepsiCo to assess their use of NSS and its impact on their consumers' health, to safeguard PepsiCo's long term sustainability.

1. <https://www.who.int/news-room/15-05-2023-who-advises-not-to-use-non-sugar-sweeteners-for-weight-control-in-newly-released-guideline>
2. <https://www.reuters.com/business/retail-consumer/pepsi-co-says-no-plans-change-portfolio-who-set-warn-aspartame-sweeteners-2023-07-13>
3. <https://www.iarc.who.int/news-events/aspartame-hazard-and-risk-assessment-results-released/>
4. <https://www.bmjjournals.org/content/378/bmjj-2022-071204>
5. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8227014/#>
6. <https://uconnruddcenter.org/wp-content/uploads/sites/2909/2022/11/Rudd-Targeted-Marketing-Report-2022.pdf>
7. <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=4&lvlid=18>

Enterprise Policy on Healthiness of Products

Coca-Cola Company

RESOLVED: Shareholders request that The Coca-Cola Company (“Coca-Cola” or the “Company”) adopt an enterprise-wide policy to move toward more healthy products, to be defined in the discretion of the Company and beyond sugar reduction. The policy should include an assessment of the current healthiness of its portfolio, targets with timelines and metrics for measuring implementation and disclosure.

SUPPORTING STATEMENT: Coca-Cola is evolving towards a ‘Total Beverage Company’ with over 200 brands and a global reach.¹ Coca-Cola identifies “Health & Nutrition” as a “Priority Topic.”² Coca-Cola has addressed this topic until now solely by focusing on sugar and calorie reduction. This is insufficient because:

Leading government-endorsed Nutrient Profiling Models (NPM), such as Health Star Rating and Nutriscore, show that the amount of other substances such as fiber, protein, fat, salt and micronutrients are crucial to the healthiness of food and beverage products.^{3,4} Only focusing on sugar and calorie reduction does not address the nutritional risks and opportunities for all its products and all the markets in which Coca-Cola is active.

An increasing number of companies map their product portfolio and inform investors regarding the healthiness of their products. The Access to Nutrition US Index 2022 showed that the number of companies using a NPM rose from 6 in 2018 to 10 out of 11 in 2022, including peers such as Pepsico and Unilever.^{5,6} In this index, only Coca-Cola has not adopted a NPM. Therefore shareholders cannot assess if the Company is adapting to potential regulation, the impact of weight-loss medicines and changing consumer preferences.

The Access to Nutrition Index advised Coca-Cola to:

- “Formally adopt (in a public document or policy) a nutrition strategy covering all forms of malnutrition and groups affected and to more explicitly include nutritionrelated Key Performance Indicators (KPIs) in its sustainability agenda.”
- “Independently verify the proportion of the company’s global portfolio consisting of low- or no-sugar beverages and preferably the overall proportion of ‘healthy’ products. To report on the latter, the company is advised to formally adopt a Nutrient Profiling Model (NPM) to define ‘healthy’, or publicly align the number of low- or no-sugar beverages with external benchmarks to ensure these products support healthy diets as much as possible.”⁷

In its 2021 Proxy Statement, Coca-Cola recognizes the importance of this Index and its findings, stating that “Part of the value of the Access to Nutrition Foundation findings in the Global Index is that the Company now has a benchmark and improved awareness of where it stands compared to other manufacturers in the food and beverage industry.”⁸

Our proposal aims to support, evolve and create accountability regarding the strategy of Coca-Cola to be a “Total Beverage Company.”

1. Vision: The Coca-Cola Company (KO)
2. <https://www.coca-colacompany.com/content/dam/company/us/en/reports/coca-cola-businesssustainability-report-2022.pdf#page=34>.
3. Health Star Rating - Health Star Rating
4. IARC_Evidence_Summary_Brief_2.pdf (who.int)
5. Unilever Portfolio Assessment Against
6. Nutrient Profiling Models 2022 6 pepsico-nutrition-criteria.pdf
7. Coca-Cola – Access to Nutrition
8. 0001206774-22-000669.pdf (coca-colacompany.com)

Public Health Costs Created by the Sale of Tobacco Products

Kroger Co.

RESOLVED, shareholders ask that the board commission and disclose a report on the external public health costs created by the sale of tobacco products by our company (the Company) and the manner in which such costs affect the vast majority of its shareholders who rely on overall market returns.

The negative health and productivity impacts from consumption of tobacco products impose \$1.2 trillion in social damage; tobacco's unpriced social burden amounts to almost 3 percent of global GDP annually.¹ Yet, in spite of the Company dedicating an entire division, Kroger Health, to addressing its customers' healthcare needs², as well as the overwhelming evidence that tobacco - a known carcinogen that impairs respiratory function - significantly prejudices the health outcomes of smokers, the Company continues to sell tobacco products in its stores. In 2019 the company discontinued the sale of e-cigarettes in response to news reports of vaping-related illnesses and deaths. The science on cigarettes and other combustible tobacco products is settled. They cause illness and death.

These public health costs, year after year, are devastating to economic growth and further compound the financial devastation wrought by the COVID-19 pandemic. Yet Kroger does not disclose any methodology to address the public health costs of its tobacco sales. Thus, shareholders have no guidance as to costs the Company is externalizing and consequent economic harm. This information is essential to shareholders, the majority of whom are beneficial owners with broadly diversified interests.

But Kroger undermines its commitments to promoting good health and ultimately the interests of its diversified shareholders by not disclosing the social and environmental costs and risks imposed on stakeholders, even when these costs and risks threaten society, the economy and the performance of other companies. All stakeholders are unalterably harmed when companies impose costs on the economy that lower GDP, which reduces equity value.³ While the Company may profit by ignoring costs it externalizes, diversified shareholders will ultimately pay these costs, and they have a right to ask what they are.

The Company's disclosures do not address this issue, because they do not address the public health costs that Kroger's tobacco sales impose on shareholders as diversified investors who must fund retirement, education, public goods and other critical social needs. This is a separate social issue of great importance. A report would help shareholders determine whether these externalized costs and the economic harm they may create ultimately serve their interests.

1. https://www.cdc.gov/tobacco/data_statistics/fact_sheets/economics/econ_facts/index.htm
2. Kroger Health - Business & Community Health Solutions
3. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Discarded Cigarette Pollution

Walgreens Boots Alliance

WHEREAS: Cigarette waste is the most commonly littered item in the US, with 1.69 billion pounds polluting the environment every year. Cigarettes make up more than one-third of all collected litter. About 4.5 trillion cigarettes are discarded each year worldwide, making them the most littered item on Earth. Cigarette butts leach toxic chemicals into water, where they can remain for as long as 10 years.

The World Health Organization states that products such as cigarettes, smokeless tobacco and e-cigarettes add to the build-up of plastic pollution. Cigarette filters contain microplastics and make up the second-highest form of plastic pollution worldwide.

According to Dr Ruediger Krech, Director of Health Promotion at WHO, tobacco products are the most littered item on the planet, containing over 7000 toxic chemicals, which leech into our environment when discarded. Roughly 4.5 trillion cigarette filters pollute our oceans, rivers, city sidewalks, parks, soil and beaches every year.¹

Despite claims by the tobacco industry that tobacco use in the United States is declining, the Federal Trade Commission (FTC) reported that the number of cigarettes that the largest cigarette companies in the United States sold to wholesalers and retailers nationwide increased from 202.9 billion in 2019 to 203.7 billion in 2020.²

In 2022, drug stores and pharmacies in the U.S. sold approximately \$1.3 billion of cigarettes. It is estimated that over 80%, or over 4 trillion cigarette butts are littered each year. In the United States, some 263 billion cigarettes were sold, and, assuming 80% were disposed of improperly, this would mean about 77 million pounds of cigarette-butt litter are dropped on the ground each year.³

A study (Attitudes, Beliefs, and Behaviors about Cigarette-Butt Littering among College-Aged Adults in the United States) published in 2022 concluded that smokers' knowledge of cigarette butts' toxicity, biodegradability, harmfulness to human and marine health was a key determinant in how they disposed of used cigarettes. In fact, Smokers who thought of cigarette butts as litter were 3.68 (95% CI 2.04 to 6.66) times more likely to properly dispose of their butts.⁴

BE IT RESOLVED: Shareholders request that our Company report on its efforts to educate its customers who purchase tobacco products about the environmental damage caused by improperly discarded tobacco products, and provide information on methods of proper disposal.

SUPPORTING STATEMENT: Walgreens Boots Alliance describes in its 2022 ESG report various efforts to divert items from landfills and reduce waste. We believe that because our Company sells tobacco products, it bears a responsibility to educate customers about proper ways to dispose of these products.

1. WHO raises alarm on tobacco industry environmental impact
2. FTC Report Finds Annual Cigarette Sales Increased for the First Time in 20 Years | Federal Trade Commission
3. Attitudes, Beliefs, and Behaviors about Cigarette-Butt Littering among College-Aged Adults in the United States - PMC (nih.gov) 2.1
4. Attitudes, Beliefs, and Behaviors about Cigarette-Butt Littering among College-Aged Adults in the United States - PMC (nih.gov) 2.3 Public Health

Human Rights & Worker Rights (HR&WR)

Human rights and worker rights proposals often explore issues related to wages, paid sick leave, freedom of association, tech sector risk, conflict-affected areas, forced and child labor in supply chains, and gun safety/violence.

With 75 proposals, filings related to worker rights and human rights are the most popular topic

this year. They account for 22% of all proposals filed by our members for the 2024 season, with slightly more filings on this issue than last year.

Members of ICCR and the Investor Alliance for Human Rights are continuing to engage leading tech companies on their human rights, digital rights and governance risks, and this year filed a group of proposals with Alphabet (8), Amazon (10), Apple (3) and Meta (9).

Human Rights and Worker Rights		75	
Proposal Topic	Quantity	Proposal Topic	Quantity
For the full list of investors who filed these resolutions, see p. 244.			
AI Transparency Report	5	Analyze and Report Risks of Child Sexual Exploitataion/Abuse	1
Assess Effectiveness of Human Rights Policy Implementation	4	Customer Due Diligence	1
Eliminating Discrimination through Inclusive Hiring	4	End Child Labor in Cocoa Production	1
Human Rights Impact Assessment	4	End Child Labor in the Value Chain	1
Railroad Safety Committee	4	Human Rights and Material Risks Related to the Russian Invasion of Ukraine	1
Respect for Freedom of Association and Collective Bargaining	4	Human Rights Due Diligence within Supply Chain	1
Set Compensation Policy that Optimizes Value for Shareholders	4	Human Rights Impact of AI Deployment	1
Adopt a Non-Interference Policy Respecting Freedom of Association	3	Human Rights Risk Report	1
Disclosure of Health and Safety Violation Prevention Measures	3	Lack of Investment in Content Moderation in the Global Majority	1
Living Wage Disclosure	3	Living Wage Assessment	1
Paid Sick Leave Policy	3	Prioritization Public Health Impacts Association with Products	1
Report on Potential Cost Savings through Adoption of No Smoking Policy	3	Report on Anti-Union Expenditures	1
Respect for Rights of Indigenous Peoples	3	Report on Driver Health and Safety	1
Child Safety Online	2	Report on Human Rights Impact of AI Driven Ad Practices	1
Human Rights Risks in CAHRA	2	Report on Political Advertising and False/Divisive Information	1
Report on Generative AI Misinfo/Disinfo Risks	2	Third Party Human Rights Due Diligence Report	1
Workplace Health and Safety Audit	2	Update Procurement Policy to Commit to Eliminating Deforestation	1
Adopt a Human Rights Policy Respecting Freedom of Association	1	Workplace Safety Policy Assessm't—Gun Violence	1
AI Principles and Board Oversight	1		

Proxy Resolutions: Human Rights and Worker Rights



Marcela Pinilla

Director of Sustainable Investing
Zevin Asset Management

Our income disparity may be the starker indicator of our societal failures to foster an equitable society, and as a result, a more dynamic economy.

Workers at the front lines,¹ as we were painfully reminded during the devastating pandemic, are essential, and contribute significantly to building tangible and intangible shareholder value.

Living wages are a core element of upholding workplace standards and fostering improved worker morale, motivation, and productivity, and better recruitment and staff retention.² Economic research consistently shows that raising wages by \$1 increases productivity resulting by more than \$1³ and minimize dependency on government aid.⁴

Rising inequality drives increased political polarization, weakens trust in public institutions and undermines democratic processes⁵, making this a relevant social and public policy issue⁶. Data has established that an average of \$15 per hour for a fulltime employee does not meet the income required to cover basic needs. Pay gaps between contract and direct employees exacerbate disparities as companies hire temporary workers from third party staffing agencies. As of 2022, the OECD ranks the US fourth from the bottom of the list of countries' income inequality gaps.⁷

Underinvestment in wages disproportionately hinders economic participation of Black and Hispanic women workers, who remain overrepresented in the low-wage workforce.⁸ As investors internalize the clear advantages of human capital management, insight into living wage-setting practices is a rational step.

- 1 <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/race-in-the-workplace-the-frontline-experience>
- 2 <https://www.workresearchcenter.org/worc-evidence>
- 3 https://scholar.harvard.edu/files/nataliaemanuel/files/emanuel_jmp.pdf
- 4 <https://www.epi.org/press/raising-wages-would-significantly-reduce-reliance-on-public-assistance/#:~:text=If%20the%20bottom%2030%20percent,falls%20by%20roughly%20%245.2%20billion.>
- 5 <https://journals.sagepub.com/doi/10.1177/23780231231154358>
- 6 <https://www.brookings.edu/articles/rising-inequality-a-major-issue-of-our-time/>
- 7 <https://data.oecd.org/inequality/income-inequality.htm#indicator-chart>
- 8 <https://www.eeoc.gov/sites/default/files/2021-04/4-28-21%20Meeting%20-%2005%20Ramirez%20-%20Supporting%20Materials.pdf>

WORKER RIGHTS

Living Wage Disclosure

A living wage enables workers and their families to afford a decent standard of living where all basic needs are met. Multiple international treaties and frameworks recognize the concept of a living wage as a human right. In the United States, the federal minimum wage has remained stagnant at \$7.25 an hour since 2009. Workers in traditionally low-wage retail, restaurant, hospitality, and gig sectors are most likely to earn below the living wage.

Investors asked Amazon, Home Depot and Kohl's to issue living wage reports assessing the extent to which they are complying with international human rights standards and assessing systemic risks from growing income inequality, including the number of its workers paid less than a living wage, broken down by full-time, part-time and contingent workers.

Hershey was asked to produce a third-party assessment with recommendations for achieving a living wage for cocoa farmers in the company's West Africa supply chain.

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

Company compensation practices that fail to provide a living wage are harmful to the economy and thus to the returns of diversified shareholders. Research indicates that closing the living wage gap would generate an additional \$4.56 trillion every year through increased productivity and spending—a more than 4% increase in annual GDP.

Investors asked the boards of Kroger, Target, Walgreens and Walmart to establish wage policies that would provide their workers with the minimum earnings necessary to meet a family's basic needs.

Paid Sick Leave

One in five people working in the U.S. have no access to earned sick time or paid sick leave (PSL) for short-term illness, health needs, or preventive care. Access to PSL in the U.S. is also marked by clear racial disparities. Black, Indigenous, and people of color (BIPOC) workers, low-wage, part-time, immigrant, and service-industry workers are especially unlikely to have access to paid sick days.

Only last year did Union Pacific begin to offer paid sick leave to most of its employees. Yet those who attempt to take PSL are treated as absent and subject to discipline under a points-based system, rendering the PSL policy moot. Investors are asking Union Pacific to adopt and disclose a permanent policy that all employees be able to use paid sick leave benefits without being subject to disciplinary action.

TJX is a major retailer focused on physical stores rather than ecommerce; its lack of PSL could pose significant reputational and operational risks as the company competes for employees in the tight U.S. labor market. ICCR members asked TJX to disclose its permanent paid sick leave policies, including eligibility requirements.

Investors also asked Canadian National Railway's board to negotiate paid sick leave policies with the unions representing its U.S. workforce and that employees be able to use PSL without being subject to disciplinary action.



Respect for Freedom of Association and Collective Bargaining

Freedom of association and collective bargaining are fundamental human rights protected by multiple national and international human rights standards. After decades of decline, last year the U.S. saw a strong resurgence of union power with the WGA, SAG, the Teamsters and the UAW all winning major changes in employee contracts across multiple industries. As investor and public expectations for companies to respect collective bargaining continue to grow, an increasing number of companies have taken meaningful steps to strengthen their policies and practices.

Investors filed nine proposals on freedom of association this year. Delta, Rivian, and SkyWest were asked to adopt human rights policies based on the ILO's Declaration on Fundamental Principles and Rights at Work, committing them to respecting human rights including collective bargaining and freedom of association in their workplaces.

Tesla, which has been accused of interfering with workers' rights in recent proceedings before the NLRB, was asked by its investors

Proxy Resolutions: Human Rights and Worker Rights



Chirag Acharya
Senior Analyst,
Sustainable Investment Stewardship
Wespath Benefits and Investments

Wespath filed a resolution with Mondeléz International in response to its continued operations in Russia and Ukraine. Mondeléz International is the parent company of such brands as Cadbury, Oreo, and Ritz Crackers. The resolution reflects our interest as a fiduciary in Mondeléz International effectively managing exposure to human rights harms that pose material financial risks to the company.

The imperative to manage the risk of Mondelez's continued operations in Russia and Ukraine is heightened because of the ongoing conflict in this region. **Conflict-affected and high-risk areas (CAHRA)** are characterized by human rights abuses and violations of national or international law, according to the Organization for Economic Co-Operation and Development, an international intergovernmental organization. The heightened human rights risks endemic to CAHRA also translate into material financial risks—regulatory, legal, operational, and reputational—for companies and shareholders. Assessing a company's proximity to human rights and material risks in CAHRA and how it mitigates the associated impacts is crucial in understanding CAHRA-related risks for rights holders, companies and shareholders.

The United Nations Guiding Principles on Business and Human Rights (UNGPs) provides a framework for businesses and investors to prevent, address and remedy human rights harms. This includes conducting heightened human rights due diligence for all operations and/or value chain partners in CAHRA. When a company fails to conduct human rights due diligence, it may face material risks, including violations of international humanitarian and human rights law and multilateral or state sanctions and other regulations.

Mondeléz International's operations in Russia remain material with the generation of approximately \$173 million in tax revenue for the Russian state since the invasion of Ukraine. These operations may result in brand damage, violations of the company's stated Human Rights Policy, the UNGPs, and exposure to Russian-sanctioned entities. To limit Mondeléz's exposure to human rights harms and material risks, Wespath's resolution asks the company to assess the effectiveness of the implementation of its Human Rights Policy for operations in CAHRA, including Russia and Ukraine.

to adopt a Non-Interference Policy ("Policy") upholding the rights of freedom of association and collective bargaining in its workplaces.

U.S. regulators and courts have repeatedly found Amazon to be in violation of labor laws and have ordered the company to rerun union elections, reinstate wrongfully terminated workers, and issued cease and desist orders. Investors asked Amazon to commission an independent third-party audit assessing its adherence to its stated commitments to respect its workers' rights to freedom of association and collective bargaining.

International Flavors and Fragrances, MAXIMUS and Wells Fargo received proposals similar to Amazon's.

CONFLICT-AFFECTED AND HIGH-RISK AREAS

Conflict-affected and high-risk areas (CAHRA) are characterized by human rights abuses and violations of national or international law. To prevent and mitigate human rights risks, companies should conduct heightened human rights due diligence. Investors this year filed eight proposals on the material risks of doing business in conflict zones.

Trip Advisor, which operates in the Xinjiang Region, Syria and Saudi Arabia, was asked to assess the effectiveness of its human rights policy implementation. Texas Instruments was asked to commission an independent report on its due diligence process for determining whether customers' misuse of its products in the Ukraine conflict exposes the company to human rights risks. JPMorgan Chase was asked to report on whether its lending and underwriting in CAHRA areas exposes it to human rights and other material risks. Analog Devices, Lockheed Martin, Marriott, Mondelez and RTX also received proposals.



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

Artificial Intelligence (“A.I.”) is revolutionizing the future of business and work. This new technology promises to unleash broad-based economic prosperity, but it may also be used to deskill and automate a wide variety of professions.

AI technology raises a number of human rights concerns. For example, the use of AI in human resources decisions can result in employment discrimination and bias. And AI may be used in ways that violate the privacy of employees, customers and members of the public.

To address these concerns, the AFL-CIO Equity Index Funds has introduced a new shareholder proposal that asks companies to issue an AI transparency report. This proposal asks companies to disclose the ethical guidelines they have adopted regarding AI technology.

By addressing the ethical considerations of AI in a transparent manner, companies can build trust among their stakeholders and contribute positively to society. Employees and other stakeholders need to have a voice in how AI technology is incorporated into business operations.

Many tech companies have already made public commitments for the ethical use of AI. For companies that are on the forefront of the AI revolution, we believe that a committee of independent directors should be appointed to manage the risks associated with AI.

Transparent ethical guidelines and good corporate governance will help ensure that AI creates value for all company stakeholders and our society as a whole.

TECH SECTOR

Artificial Intelligence (AI)

The use of AI by large corporations raises significant social policy concerns, including mass layoffs due to job automation, facility closures, the misuse and disclosure of private data, and the creation of “deep fake” media content that may contribute to the dissemination of false information, including hate speech. Eleven of 2024’s filings show growing investor concern for AI’s potential impact on election integrity, job security, systemic discrimination, and bias in healthcare. The impacts of AI in healthcare is discussed in more detail in the Health Equity section, which begins on page 143. The Investor Alliance for Human Rights, an initiative of ICCR, is spearheading much of the investor work related to AI.

Arguing that AI systems should not be trained on copyrighted material or the voices/likenesses of performers, investors asked five companies in the entertainment industry—Apple, Comcast, Disney, Netflix, and Warner Brothers—to issue AI transparency reports.

Citing concern for the ways AI-driven ads negatively impact critical elections, Alphabet was asked to report on its role in facilitating misinformation and disinformation generated or amplified by AI.

Citing reports that the company’s Alexa software was reported to have been used to spread 2020 election misinformation, investors called on Amazon to charter a new committee of independent directors on AI.

Citing the company’s \$5bn 2019 data privacy violation penalty, Meta was asked to conduct a third-party HRIA examining the human rights impacts of Facebook’s use of AI systems to drive its targeted advertising.

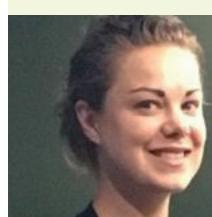
EQUITABLE GLOBAL SUPPLY CHAINS

Human Rights Impact Assessments

Human rights impact assessments (HRIAs) are an invaluable tool that helps companies avoid costly public relations crises stemming from unaddressed human rights risks in their supply chains and operations. Rigorous HRIAs, which include stakeholder consultation and time-bound action plans for remedying impacts, enable companies to identify, analyze and address the root causes

of human rights risks while also getting out in front of regulatory changes, like the Uyghur Forced Labor Prevention Act and the European Corporate Sustainability Due Diligence Directive.

ICCR members asked Meta (Facebook), RTX, Thermo Fisher and Walmart to publish HRIAs examining the actual and potential impacts of high-risk commodities or products and services in their supply chain and operations. Pfizer, which received a similar proposal, is included in the Health Equity section, which begins on page 143.



Diana Kearney

Senior Legal and Shareholder Advocacy Advisor, Oxfam America

Walmart is plagued by criticism over its poor labor and human rights track record in its operations and throughout its **supply chains**. Employees report alarming working conditions, including accusations that the company punishes workers for using sick time,¹ denies pregnant women accommodations,² and pays half of its hourly workers under \$29,000 annually³ – below a living wage. The company has also been subjected to high-profile media coverage over abuses in its supply chains: *The NY Times* published a series on child refugees illegally producing goods for Walmart in U.S. factories,⁴ spurring the Biden administration to announce a crackdown.⁵ Walmart has similarly endured criticism over abuses in its supply chains abroad, including *Reuters'* investigation into Cambodian female prisoners forced to make Walmart products,⁶ and *The New Yorker's* recent “The Crimes Behind the Seafood You Eat”, which uncovered

widespread human trafficking on vessels producing seafood for Walmart.⁷

In addition to negative publicity and lawsuits, these scandals have sparked actions from the E.U. parliament, U.S. Congress, and federal agencies to force companies like Walmart to monitor for human rights abuses. Walmart’s board is failing to address these human capital management concerns that generate significant reputational, legal, and regulatory risk.

In light of this, Oxfam and eight co-filers filed a proposal asking the company to conduct human rights impact assessments (HRIAs). HRIAs mitigate risk by enabling companies to identify and address the root causes of abuses before they cost investors. As the pervasive labor scandals at Walmart demonstrate, existing social compliance audits can’t replace HRIAs. Competitors like Kroger,⁸ Jumbo,⁹ and Tesco understand this, and have already conducted HRIAs,¹⁰ and Walmart can do the same.

1. <https://www.businessinsider.com/walmart-target-workers-describe-working-conditions-during-coronavirus-2020-3>
2. <https://www.washingtonpost.com/dc-md-va/2020/04/29/walmart-pregnant-workers-discrimination-settlement/>
3. <https://www.cbsnews.com/news/walmart-minimum-wage-20-an-hour-still-broke-rick-wartzman-author/>
4. <https://www.nytimes.com/2023/02/25/us/unaccompanied-migrant-child-workers-exploitation.html>
5. <https://www.nytimes.com/2023/02/27/us/biden-child-labor.html>
6. <https://www.reuters.com/sustainability/walmart-centric-probe-suppliers-potential-links-cambodia-womens-prison-2023-08-21/>

7. <https://www.newyorker.com/magazine/2023/10/16/the-crimes-behind-the-seafood-you-eat>
8. https://www.thekrogerco.com/wp-content/uploads/2023/06/Kroger_Mixed-Greens-HRIA-Report-June-FINAL-2023.pdf
9. https://www.jumborapportage.com/FbContent.ashx/pub_1015/downloads/v230215224003/@SnVtYm8gSFJJQSBlbGFjayB0ZWEgLSBjmRpYSAxNTAyMjAyMy5wZGY=
10. <https://www.tescoplc.com/sustainability/documents/policies/vietnameseprawn-human-rights-impact-assessment-action-plan/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Living Wage Disclosure

Amazon.com, Inc.

A similar resolution was submitted to Home Depot, Inc.

RESOLVED: Shareholders request Amazon Inc. (the “Company”) Board of Directors to oversee the preparation of a living wage report to provide investors with information needed to assess the extent to which the Company is complying with international human rights standards and assessing systemic risks stemming from growing income inequality. The Report should be updated and published annually and include:

- Number of Amazon workers paid less than a living wage, broken down by full-time employees, part-time employees, and contingent workers;
- By how much aggregate compensation paid to workers in each category falls short of the aggregate amount they would be paid if they received a living wage; and
- The living wage benchmark/methodology used for these disclosures Amazon is not required to use a particular living wage calculator or methodology.

SUPPORTING STATEMENT: Income inequality slows US economic growth by reducing demand by 2 to 4 percent,¹ threatening investors’ diversified portfolios by slowing economic growth, limiting upward mobility, and exacerbating political polarization.²

A living wage is a level of compensation that is “sufficient to afford a decent standard of living for the worker and her or his family” in their location, including “food, water, housing, education, health care, transportation, clothing, and other essential needs.”³ The Universal Declaration of Human Rights states “[e]veryone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity.”⁴ A living wage in the US is estimated as \$25.02 per hour per worker for a family of four.⁵

In an August 2023 letter to Amazon, the United Nations Special Rapporteur on Extreme Poverty and Human Rights raised alleged violations of international human rights and labor rights law.⁶ Amazon responds⁷ that average hourly pay for regular frontline employees has increased to over \$20.50 with starting pay ranges from \$17 to \$28 based on position and location. However, these averages indicate that many workers are unable to meet basic needs, increasing their reliance on government subsidies.

Additionally, Amazon hires contingent workers through staffing or vendor contracts, who report receiving fewer wages and benefits for doing the same work as direct employees and signing noncompete or arbitration clauses.⁸ Beyond its Supplier policy⁹ investors lack data on Amazon’s contracted worker wage practices, posing blind spots to decision-useful information.

Amazon does not disclose the gaps between prevailing and living wages across its workforce. Shareholders are therefore unable to assess the Company’s contribution to systemic risks created by income inequality. Inadequate pay materially reduces the intrinsic value of the global economy, impacting investment portfolios. Data shows that across counties where Amazon operates the cost of living exceeds the income required to cover basic needs.¹⁰

As one of the country’s largest employers, Amazon would benefit from a living wage gap exercise to strengthen long-term human capital management.

1. <https://www.epi.org/publication/secular-stagnation>
2. <https://tiiproject.com/wp-content/uploads/2022/01/TIIP-Stewardship-Final.pdf> , at 2.
3. <https://www.globallivingwage.org/about/what-is-a-living-wage/>
4. <https://www.ohchr.org/en/human-rights/universal-declaration/translations/english> , Article 23.
5. Living Wage Calculator ([mit.edu](https://livingwage.mit.edu/))
6. <https://spcomreports.ohchr.org/TMResultsBase/DownLoadPublicCommunicationFile?gld=28347>
7. <https://spcomreports.ohchr.org/TmSearch/Mandates?m=21>
8. <https://contractwork.techequitycollaborative.org/>
9. https://sustainability.aboutamazon.com/amazon_supply_chain_standards_english.pdf#:~:text=Wages%20and%20Benefits%20Suppliers%20are%20required%20to,manner%20that%20satisfies%20or%20exceeds%20applicable%20laws
10. <https://livingwage.mit.edu/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Living Wage Disclosure

Kohl's Corporation

RESOLVED, that shareholders of Kohl's Corporation ("Kohl's" or the "Company") urge Kohl's board to oversee the preparation of a Living Wage Report in order to give investors information they need to assess the extent to which Kohl's is complying with international human rights standards and helping to mitigate systemic risks stemming from income inequality. The Living Wage Report should be updated semiannually and disclosed on Kohl's website and should include:

- The number of Kohl's workers paid less than a living wage, broken down by full-time employees, part-time employees, and contingent workers;
- By how much the aggregate compensation paid to workers in each category falls short of the aggregate amount they would be paid if they received a living wage; and
- The living wage benchmark/methodology used for these disclosures

A living wage is defined as a level of compensation that is "sufficient to afford a decent standard of living for the worker and her or his family" in their location, including "food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."¹ Contingent workers are workers employed by staffing entities with which Kohl's contracts as well as seasonal workers employed directly by Kohl's.

SUPPORTING STATEMENT: The right to a living wage is recognized in international human rights norms. The Universal Declaration of Human Rights provides that "[e]veryone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity."² The Preamble to the International Labor Organization's Constitution cites "the provision of an adequate living wage" as key to improving conditions of labor that impose "injustice, hardship and privation."³

High levels of income inequality are a systemic risk for investors. According to The Investment Integration Project, "income inequality slows economic growth, limits upward mobility, and exacerbates political polarization—threatening investments in all asset classes."⁴ As of 2017, aggregate household, government and business spending had been depressed by two to four percentage points of GDP annually as a result of rising inequality.⁵ In the US, between 1979 and 2019, the top 1% of earners saw their wages grow six times faster than wages paid to the bottom 90%,⁶ and the ratio between CEO and median worker pay has grown from 20 in 1950 to 344 among the top 350 companies in 2022, using the realized pay methodology.⁷

Data collected through social media in 2021 indicated that 78% of Kohl's employees are paid less than \$15.00 an hour.⁸ Kohl's itself does not disclose any information about the extent to which its workforce is paid a living wage or the gap between Company wages and a living wage, which would allow shareholders to assess the Company's contribution to the systemic risk created by income inequality as well as its compliance with international human rights norms. This Proposal does not require Kohl's to use a particular living wage calculator or methodology in making the requested disclosure.

1. <https://www.globallivingwage.org/about/what-is-a-living-wage/>

2. <https://www.ohchr.org/en/human-rights/universal-declaration/translations/english>, Article 23.

3. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:55:0::NO::P55_TYPE,P55_LANG,P55_DOCUMENT,P55_NODE:KEY,en,ILOC,/Document

4. <https://tiiproject.com/wp-content/uploads/2022/01/TIIP-Stewardship-Final.pdf>, at 2.

5. <https://tiiproject.com/wp-content/uploads/2022/01/TIIP-Stewardship-Final.pdf>, at 17.

6. <https://tiiproject.com/wp-content/uploads/2022/01/TIIP-Stewardship-Final.pdf>, at 3.

7. <https://www.epi.org/publication/ceo-pay-in-2022/>

8. <https://shift.hks.harvard.edu/the-company-wage-tracker/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Living Wage Assessment

Hershey Company

RESOLVED: Shareholders urge the board of directors to commission a third-party assessment that produces recommendations for achieving a living income for cocoa farmers in Hershey's West African supply chain, beyond legal and regulatory matters. Input from stakeholders, including civil society organizations, cocoa farmers, and suppliers, should be considered in the assessment. A report on the audit, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company's website within a reasonable time.

SUPPORTING STATEMENT: The assessment may include:

An assessment of the gap between current income and living income for cocoa farmers in Hershey's supply chain;

The effectiveness of current company strategies to reduce this gap;

Recommendations for achieving living income goals, that include a gender equity approach.

WHEREAS: Systemic poverty in Ghana and Côte d'Ivoire, where 60% of cocoa is produced, is a driving force of child labor, deforestation, and other human rights abuses in the cocoa sector.¹ Approximately 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire.² Low farmer income has also been linked to increased deforestation,³ with Ghana and Côte d'Ivoire losing 65% and 90% respectively of forest cover over the past thirty years.⁴

Exploitative purchasing practices by Hershey and its peers keep local communities in poverty and are criticized as rooted in racial injustice.⁵ Cocoa farmers are often paid far below the World Bank's poverty threshold of \$2.15 per day.⁶ In response to low income, cocoa farmers have increasingly replaced cocoa with rubber trees or have sold their cocoa farms to gold mining operations.⁷ Without effectively addressing living income, the continued existence of the West African cocoa sector is at stake.

Living income⁸ is a human right that combats inequality and poverty.⁹ Raising the farmgate price, through premiums, for example, can significantly help cocoa farmers reach a living income.¹⁰ Additionally, coupling higher farmgate prices with long-term purchasing contracts can provide greater security and resiliency to cocoa farmers.¹¹

Although Hershey has a Living Wage & Income Position Statement, it makes no commitment to ensuring cocoa farmers earn a living income. The position statement has been criticized for lacking a "concrete, timebound commitment and accompanying action plan..."¹² Hershey's vague commitment to promote a living income for cocoa farmers has resulted in a set of initiatives, such as the Income Accelerator, that are largely ineffective at ensuring cocoa farmers receive a living income, and in some cases, are undermining it. For example, Hershey was accused of undermining Ghana and Côte d'Ivoire's recently implemented Living Income Differentials through purchasing practices aimed at circumventing it.¹³

Notably absent from Hershey's strategy is increasing farmgate prices; price interventions play a "key role in shifting value to farmers and enabling higher incomes."¹⁴ Additionally, Hershey's strategy fails to apply a gender equity approach to address particular challenges women cocoa farmers face in cocoa-income-generating activities.¹⁵

<https://iasj.org/wp-content/uploads/2024-Hershey-SH-Proposal.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

Walmart Stores, Inc.

A similar resolution was submitted to Target Corp.

BE IT RESOLVED, shareholders ask that the board and management exercise their discretion to establish Company wage policies that are consistent with fiduciary duties and reasonably designed to provide workers with the minimum earnings necessary to meet a family's basic needs, because Company compensation practices that fail to provide a living wage are harmful to the economy and therefore to the returns of diversified shareholders.¹

The Company increased the minimum hourly wage for store associates to \$14/hour in 2023. While that is good progress, the living wage in 2022 was \$25.02 per hour per worker annually for a family of four (two working adults).² The Company's CEO, meanwhile, makes 933 times more than the Company's median employee. While people of color compose more than half the Company's U.S. workforce, they account for only 29 percent of officer roles,³ indicating they make up a disproportionate number of employees not earning a living wage.

Such inequality and disparity harm the entire economy. For example, closing the living wage gap worldwide could generate an additional \$4.56 trillion every year through increased productivity and spending,⁴ translating to a more than 4 percent increase in annual GDP. A 2020 report found that had four key racial gaps for Black Americans—wages, education, housing, and investment—been closed in 2000, \$16 trillion could have been added to the U.S. economy. Closing those gaps in 2020 could have added \$5 trillion to the U.S. economy over the ensuing five years.⁵

By paying so many of its employees below a living wage, the Company may believe it will increase margins and thus financial performance. But gain in Company profit that comes at the expense of society and the economy is a bad trade for Company shareholders who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by low wages and inequality will directly reduce long-term diversified portfolio returns because a drag on GDP directly reduces returns on diversified portfolios.⁶

This proposal asks the Board to set a Company compensation policy of paying a living wage to prevent contributing to inequality and racial/gender disparity. The Company could achieve this Proposal's objective by securing Living Wage for US Employer certification.⁷ Additionally, MIT has an online living wage calculator, or the Company can work within frameworks promulgated by organizations such as IDH Sustainable Trade Initiative or The Living Wage Network. The Company should use such frameworks in a manner that allows shareholders to gauge compliance and progress, while providing the Company with discretion as to how to achieve the living-wage goal.

Please vote for: Set compensation policy that optimizes portfolio value for Company shareholders –Proposal 4*

1. <https://theshareholdercommons.com/case-studies/labor-and-inequality-case-study/>
2. <https://livingwage.mit.edu/articles/103-new-data-posted-2023-living-wage-calculator>
3. <https://corporate.walmart.com/purpose/belonging-diversity-equity-inclusion/belonging-diversity-equity-and-inclusion-report>
4. <https://tacklinginequality.org/files/introduction.pdf>
5. <https://ir.citi.com/%2FPRxPvgNWu319AU1ajGf%2BsKbjJjBJSaTOSdw2DF4xynPwFB8a2jV1FaA3ldy7vY59b0tN2lxVQM=>
6. <https://www.epi.org/publication/secular-stagnation/>
7. <https://livingwageforus.org/becoming-certified/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

Kroger Co.

BE IT RESOLVED, shareholders ask that the board and management exercise their discretion to establish Company wage policies that are consistent with fiduciary duties and reasonably designed to provide workers with the minimum earnings necessary to meet a family's basic needs, because Company compensation practices that fail to provide a living wage are harmful to the economy and therefore to the returns of diversified shareholders.¹

SUPPORTING STATEMENT: Kroger increased associates' average hourly wage to \$18/hour in 2023, suggesting its lowest paid workers earn still less. The living wage in 2022 was \$25.02 per hour per worker annually for a family of four (two working adults).² Kroger's CEO, meanwhile, makes 671 times more than the Company's median employee. While Kroger's workforce is 49.6 percent female and 40.7 percent people of color, these groups compose only 31.7 percent and 26.3 percent of store leaders,³ indicating they make up a disproportionate number of employees not earning a living wage. In response to a recent survey, 75 percent of Kroger workers said they were food insecure, 14 percent said they were homeless, and 63 percent said they earned too little to cover basic expenses.⁴

Such inequality and disparity harm the entire economy. For example, closing the living wage gap worldwide could generate an additional \$4.56 trillion every year through increased productivity and spending,⁵ translating to a more than 4 percent increase in annual GDP. A 2020 report found that had four key racial gaps for Black Americans—wages, education, housing, and investment—been closed in 2000, \$16 trillion could have been added to the U.S. economy. Closing those gaps in 2020 could have added \$5 trillion to the U.S. economy over the ensuing five years.⁶

By underpaying so many of its employees, Kroger may believe it will increase margins and thus financial performance. But gain in Company profit that comes at the expense of society and the economy is a bad trade for Company shareholders who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by low wages and inequality will directly reduce long-term diversified portfolio returns because a drag on GDP directly reduces returns on diversified portfolios.⁷

This proposal asks the Board to set a Company compensation policy of paying a living wage to prevent contributing to inequality and racial/gender disparity. Kroger could achieve this Proposal's objective by securing Living Wage for US Employer certification.⁸ Additionally, MIT has an online living wage calculator, or Kroger can work within frameworks promulgated by organizations such as IDH Sustainable Trade Initiative or The Living Wage Network. Kroger should use such frameworks in a manner that allows shareholders to gauge compliance and progress, while providing the Company with discretion as to how to achieve the living-wage goal.

Please vote for: Set compensation policy that optimizes portfolio value for Company shareholders – Proposal 4*

1. <https://theshareholdercommons.com/case-studies/labor-and-inequality-case-study/>
2. <https://livingwage.mit.edu/articles/103-new-data-posted-2023-living-wage-calculator>
3. https://www.thekrogerco.com/wp-content/uploads/2023/09/Kroger-Co-2023-ESG-Report_Final.pdf
4. <https://www.nytimes.com/2022/02/12/business/kroger-grocery-stores-workers-pay.html>
5. <https://tacklinginequality.org/files/introduction.pdf>
6. <https://ir.citi.com/%2FPRxPvgNWu319AU1ajGf%2BsKbjJjBJSaTOSdw2DF4xynPwFB8a2jV1FaA3ldy7vY59b0tN2lxVQ M=>
7. <https://www.epi.org/publication/secular-stagnation/>
8. <https://livingwageforus.org/becoming-certified/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

Walgreens Boots Alliance

WHEREAS: Company compensation practices that fail to provide a living wage are harmful to the economy and therefore to the returns of diversified shareholders;

BE IT RESOLVED, shareholders ask that the board and management exercise their discretion to establish Company wage policies that are reasonably designed to provide workers with the minimum earnings necessary to meet a family's basic needs, such policies to include reference to established living wage frameworks and timeframes for adoption and to comply with relevant legal obligations.

SUPPORTING STATEMENT: The Company recently raised its starting wage to \$15 per hour and its median employee was paid \$24,530 in 2022, or 0.14% of the CEO's compensation. By comparison, the living wage in 2022 was \$25.02 per hour (\$52,038.85 per worker annually, for a family of four (two working adults).¹ While the Company's workforce is 71 percent female and 51 percent people of color, those groups make up only 43 percent and 25 percent of senior management, and thus make up a disproportionate number of Company employees not earning a living wage.¹

Such inequality and disparity harm the entire economy. For example, closing the living wage gap worldwide could generate an additional \$4.56 trillion every year through increased productivity and spending,² translating to a more than 4 percent increase in annual GDP. A 2020 report found that had four key racial gaps for Black Americans—wages, education, housing, and investment—been closed in 2000, \$16 trillion could have been added to the U.S. economy. Closing those gaps in 2020 could have added \$5 trillion to the U.S. economy over the ensuing five years.³

By paying so many of its employees below a living wage, the Company may believe it will increase margins and thus financial performance. But gain in Company profit that comes at the expense of society and the economy is a bad trade for Company shareholders who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by low wages and inequality will directly reduce long-term diversified portfolio returns because a drag on GDP directly reduces returns on diversified portfolios.⁴

This proposal asks the Board to set a Company compensation policy of paying a living wage to prevent contributing to inequality and racial/gender disparity. The Company could achieve this Proposal's objective by securing Living Wage for US Employer certification.⁵ Additionally, MIT has an online living wage calculator, or the Company can work within frameworks promulgated by organizations such as IDH Sustainable Trade Initiative or The Living Wage Network. The Company should utilize such frameworks in a manner that allows shareholders to gauge compliance and progress, while providing the Company with discretion as to how to achieve the living-wage goal.

1. <https://livingwage.mit.edu/articles/103-new-data-posted-2023-living-wage-calculator>
2. <https://tacklinginequality.org/files/introduction.pdf>
3. <https://ir.citi.com/%2FPRxPvgNWu319AU1ajGf%2BsKbjJjBJSaTOSdw2DF4xynPwFB8a2jV1FaA3ldy7vY59b0tN2lxVQ M=>
4. <https://www.epi.org/publication/secular-stagnation/>
5. <https://livingwageforus.org/becoming-certified/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Respect for Freedom of Association and Collective Bargaining

Amazon.com, Inc.

RESOLVED: Shareholders urge the Board of Directors to commission an independent, third-party assessment of Amazon's adherence to its stated commitment to workers' freedom of association and collective bargaining rights as outlined in Amazon's Global Human Rights Principles, which explicitly reference the Core Conventions of the International Labour Organization and the ILO Declaration on Fundamental Principles and Rights at Work. The assessment should address any instances of management interference when employees exercise their right to form or join a trade union in Amazon's global operations as well as steps to remedy any practices inconsistent with Amazon's stated commitments. The assessment, prepared at reasonable expense and omitting confidential, proprietary or legally privileged information, should be publicly disclosed on Amazon's website by November 30, 2024.

SUPPORTING STATEMENT: Amazon states, "we respect and support the Core Conventions of the International Labour Organization and the ILO Declaration on Fundamental Principles and Rights at Work" and says it respects workers' right to join or form a union "without fear of reprisal, intimidation, or harassment,"¹ an important recognition that the fulfillment of these rights is conditioned by how employers choose to respond to union organizing efforts.

For years, Amazon has faced global negative media coverage^{2,3} accusing the company of interfering with workers' exercise of their rights through anti-unionization tactics,⁴ including allegations of intimidation⁵, retaliation⁶ and surveillance⁷. US regulators and courts have ruled repeatedly that Amazon violated labor laws and have ordered remedies, including rerun union elections⁸, reinstatement of terminated workers⁹, and cease and desist orders to stop discharging workers in retaliation for union organizing.¹⁰ In France, Amazon refused to engage with unions representing warehouse employees concerning health and safety measures until ordered by both the Court of Nanterre and the Court of Appeal of Versailles.¹¹ In Poland, Amazon reprimanded a union member for recruiting at her workplace, only to have that reprimand overturned by the Regional Court, which admonished the company not to treat unions as a "necessary evil" but as partners.¹² In Germany, Amazon workers have struck repeatedly over a decade, as the company refuses to engage in collective bargaining.¹³

In 2022, Amazon published a report on its human rights commitment,¹⁴ which outlines Amazon's approach fundamental labor rights, references ILO conventions, but fails to explain whether and how Amazon's human rights policies and practices align with these international standards or its own commitments.

The apparent misalignment between Amazon's commitment and its reported conduct represents reputational and operational risks that may negatively impact Amazon's long-term performance. A respect for human rights can create a motivated workforce that provides management with critical and timely information to reduce workplace accidents, improve relevant trainings, and boost employee morale, thus enhancing productivity, profitability and ultimately shareholder value.¹⁵

An independent assessment would help investors assess Amazon's adherence to its human rights commitments.

1. <https://sustainability.aboutamazon.com/governance/amazon-global-human-rights-principles>
2. <https://www.nytimes.com/2021/03/16/technology/amazon-unions-virginia.html>
3. <https://novaramedia.com/2022/10/18/inside-the-fight-for-the-uks-first-formal-amazon-warehouse-strike/>; <https://www.theguardian.com/technology/2020/sep/30/trade-unions-urge-eu-to-investigate-amazon-effort-to-spy-on-workers>
4. <https://pressprogress.ca/amazons-anti-union-tactics-around-the-world-show-what-canadian-warehouse-workers-are-up-against/>
5. <https://nypost.com/2021/04/19/amazon-used-illegal-intimidation-tactics-in-ala-vote-union/>
6. <https://www.nbcnews.com/business/business-news/fired-interrogated-disciplined-amazon-warehouse-organizers-allege-year-retaliation-n1262367>
7. <https://www.cnbc.com/2020/10/24/how-amazon-prevents-unions-by-surveilling-employee-activism.html>
8. <https://www.nytimes.com/2021/11/29/business/amazon-bessemer-alabama-election.html>
9. <https://www.nytimes.com/2022/04/18/business/amazon-protest-firing-ruling.html>
10. <https://www.nlrb.gov/news-outreach/news-story/nlrb-region-29-wins-federal-court-order-requiring-amazon-to-cease-and>
11. <https://www.amnesty.org/en/documents/pol40/3275/2020/en/>, pg. 12-13.
12. <https://www.amnesty.org/en/documents/pol40/3275/2020/en/>, pg. 14.
13. <https://newrepublic.com/article/167263/amazons-global-quest-crush-unions>
14. <https://www.aboutamazon.com/news/policy-news-views/amazons-human-rights-commitment-policy-and-practice>
15. <https://www.ipa-involve.com/involvement-and-productivity-the-missing-piece-of-the-puzzle>; <https://doi.org/10.1111/bjir.12662>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Respect for Freedom of Association and Collective Bargaining

MAXIMUS, Inc.

RESOLVED: Shareholders urge the Board of Directors to commission and oversee an independent, third-party assessment of MAXIMUS's adherence, above and beyond legal compliance, to its stated commitment to workers' freedom of association and collective bargaining rights as contained in the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and as explicitly referenced in the company's Human Rights Principles. The assessment should address management non-interference when employees exercise their right to form or join a trade union, as well as any steps to remedy any practices inconsistent with MAXIMUS's stated commitments. The assessment, prepared at reasonable cost and omitting legally privileged, confidential, or proprietary information, should be publicly disclosed.

SUPPORTING STATEMENT: MAXIMUS's Human Rights Principles state "Respecting human rights means more than simply following particular rules or laws ... [it] means making a shared commitment to hold each other accountable to the highest standards of business conduct." We agree, and further note that MAXIMUS specifically identifies Freedom of Association as a subject toward which it recognizes its responsibilities. Nevertheless, over the past three years, MAXIMUS employees have repeatedly alleged violations of these principles, including retaliation and discrimination against union supporters¹, compelling employees to attend meetings during which supervisors urged them to reject the union², disciplining an employee for participating in a strike³, calling the police on striking employees⁴, coercively questioning an employee about their union support and threatening that their workplace would be closed if employees chose to unionize⁵, offering special benefits to non-striking employees that were denied to employees participating in a strike⁶, and discharging employees for participating in union activities.⁷ These cases are pending before the National Labor Relations Board. Additionally, in 2021 MAXIMUS settled a complaint issued by Board Region 15, which had found merit in the employees' allegations that MAXIMUS was employing illegal tactics – including discriminatory denials of access to the workplace for union-supporting employees and calling the police on employees and union organizers handing out leaflets in a parking lot.⁸

These repeated allegations of unlawful behavior reveal a potential misalignment between MAXIMUS's public commitments and its reported conduct. Such misalignment creates reputational, legal, and operational risks that may negatively impact the company's long-term value.

MAXIMUS acknowledges that its human rights policy "means more than simply following particular rules or laws," and that upholding human rights requires "a shared commitment to hold each other accountable to the highest standards of business conduct." It is time for the Board to fulfill its part of this commitment, and hold management "accountable to the highest standards of business conduct."

1 15-CA-292735

2 15-CA-301668

3 05-CA-301812

4 05-CA-301812

5 15-CA-305277

6 15-CA-306438

7 15-CA-318724

8 15-CA-240635, 15-CA-258452

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Respect for Freedom of Association and Collective Bargaining

Wells Fargo & Company

A similar resolution was submitted to International Flavors & Fragrances Inc.

RESOLVED: Shareholders urge the Board of Directors of Wells Fargo & Company (“Wells Fargo”) to commission and oversee an independent, third-party assessment of Wells Fargo’s respect for the internationally recognized human rights of freedom of association and collective bargaining. The assessment should evaluate management interference when employees seek to form or join trade unions as well as recommend steps to remedy any practices that are inconsistent with Wells Fargo’s international human rights obligations. The assessment, prepared at reasonable cost and omitting legally privileged, confidential, or proprietary information, should be publicly disclosed on Wells Fargo’s website.

SUPPORTING STATEMENT: Freedom of association and collective bargaining are internationally recognized human rights according to the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and the United Nations’ Universal Declaration of Human Rights. However, Wells Fargo’s Human Rights Statement, Code of Ethics and Business Conduct, and Supplier Code of Conduct are silent on Wells Fargo’s obligations to respect these internationally recognized human rights.

In February 2022, Wells Fargo published “Priority Recommendations of the Wells Fargo Human Rights Impact Assessment and Actions in Response” that summarized a human rights impact assessment performed by a third party law firm. The recommendations stated “Wells Fargo should consider prioritizing the issuance of a comprehensive human rights policy and providing training to the bank’s leadership and senior management regarding the [United Nations Guiding Principles on Business and Human Rights].”

In 2022, Wells Fargo CEO Charles Scharf told Congress that Wells Fargo would not commit to remain neutral if Wells Fargo’s employees seek to unionize.¹ In 2023, various unfair labor practice charges were pending before the National Labor Relations Board alleging that Wells Fargo had violated its employees’ rights.² Wells Fargo has agreed to settle one of these unfair labor practice charges.³ Meanwhile, a Wells Fargo internal presentation revealed that management has been tracking employees’ union organizing efforts.⁴

This resolution may help address human rights risks at Wells Fargo’s operations in other countries. Wells Fargo’s largest international operations are in India and the Philippines. The 2023 ITUC Global Rights Index rated India and the Philippines as countries with no guarantee of rights, explaining that such countries are “the worst countries in the world to work in. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.”⁵

1. “Wells Fargo to Beef Up Labor Relations Staff Amid Union Campaign,” Bloomberg Law, June 26, 2023, <https://news.bloomberg.com/banking-law/wells-fargo-to-beef-up-labor-relations-staff-amid-union-campaign>.
2. “Wells Fargo Illegally Restricted Union Activism, US Labor Board Officials Allege,” Bloomberg, August 10, 2023, <https://www.bloomberg.com/news/articles/2023-08-10/wells-fargo-bank-illegally-restricted-union-activism-nlrb-officials-allege>.
3. “Wells Fargo Reaches Settlement in Union Retaliation Case,” Bloomberg Law, May 3, 2023, <https://news.bloomberg.com/banking-law/wells-fargo-reaches-settlement-in-union-retaliation-case>.
4. “Wells Fargo Privately Worries Union “Resurgence” Could Reach Its Workers Next,” Bloomberg, April 17, 2023, <https://www.bloomberg.com/news/articles/2023-04-17/wells-fargo-privately-worries-union-resurgence-could-reach-its-workers-next>.
5. 2023 ITUC Global Rights Index, International Trade Union Confederation, 2023, <https://www.ituc-csi.org/ituc-global-rights-index-2023>.

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Adopt a Non-Interference Policy Respecting Freedom of Association

Skywest, Inc.

WHEREAS: Freedom of association and collective bargaining are fundamental human rights under internationally recognized human rights frameworks. According to the International Labour Organization (ILO), "Freedom of association refers to the right of workers ... to create and join organizations of their choice freely and without fear of reprisal or interference."¹

In 2023, the United States saw a "revival of union power" leading to significant changes in employee contracts in multiple industries.² As investor and public expectations for companies to respect fundamental labor rights continue to grow, an increasing number of companies have taken meaningful steps to strengthen their policies and practices, including Southwest Airlines, United Airlines, American Airlines, and JetBlue.

SkyWest, Inc. is reliant on a domestic workforce and customer base. However, the Association of Flight Attendants-CWA has alleged that SkyWest retaliated against employees seeking union representation and funds an internal employee association, the SkyWest Inflight Association (SIA), intended to replace independent unionization.³ This is at odds with the ILO's ethos of independent bargaining and non-interference. A case has been filed alleging that SIA is an illegal 'dummy union'.⁴

Should SkyWest's brand be linked to anti-union rhetoric, it risks losing customers. A recent Gallup poll found that American approval of unions is higher than it has been in over 50 years.⁵ Controversy over SIA has already led to negative publicity for the Company, including Senator Bernie Sanders tweeting: "Creating company unions are an illegal union busting tactic. Follow the law!"⁶

Moreover, the presence of unions has been positively correlated with low turnover, improved diversity, investment in training, and reduced legal and regulatory violations.⁷ Conversely, companies that actively oppose unionization experience declines in productivity relative to those that are less opposed; "the overall negative effects are driven by manager's or owner's dislike of working with unions rather than economic costs of unions."⁸

BE IT RESOLVED: Shareholders request the Board adopt and disclose a Non-Interference Policy upholding the rights to freedom of association and collective bargaining in its operations, as reflected in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

SUPPORTING STATEMENT: The Policy should contain commitments to:

- Non-interference when employees exercise their right to form or join a trade union, including prohibiting SkyWest from undermining this right or pressuring employees seeking to form or join a company-hosted organization intended to represent employees;
- Good faith and timely collective bargaining if employees form or join a trade union;
- Where national or local law is silent or differs from international human rights standards, following the higher standard; and
- Processes to identify, prevent, account for, and remedy any practices that violate or are inconsistent with the Policy.

1. https://www.ilo.org/actrav/events/WCMS_315488/lang--en/index.htm

2. <https://hbr.org/2023/10/are-we-seeing-a-revival-of-union-power>

3. https://www.afacwa.org/skywest_management_illegal_retaliation

4. <https://assets.nationbuilder.com/afacwa/pages/3329/attachments/original/1697057943/2-23-cv-00723.pdf?1697057943>

5. https://www.huffpost.com/entry/labor-unions-making-a-comeback_n_64f23d39e4b03bdff3ae2c17

6. <https://twitter.com/BernieSanders/status/1715357837017141546>

7. <https://www.piie.com/blogs/realtime-economic-issues-watch/higher-wages-low-income-workers-lead-higher-productivity> ;
<https://www.trilliuminvest.com/news-views/the-investor-case-for-supporting-worker-organizing-rights> ;
<https://www.workerscapital.org/our-resources/shared-prosperity-the-investor-case-for-freedom-of-association-and-collective-bargaining/>

8. <https://www.census.gov/content/dam/Census/newsroom/press-kits/2023/assa/unionization-employer-opposition-preview.pdf> , p. 3

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Adopt a Non-Interference Policy Respecting Freedom of Association

Tesla Inc.

A similar resolution was submitted to Delta Air Lines, Inc.

RESOLVED: the Board of Directors of Tesla, Inc. shall adopt and disclose a Noninterference Policy (“Policy”) upholding the rights to freedom of association and collective bargaining in its operations, as reflected in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work (“Fundamental Principles”). The Policy should contain a commitment to:

- Non-interference when employees seek to form or join a trade union, and a prohibition against acting to undermine this right or pressure employees not to form or join a trade union;
- Uphold the highest standard where national or local law differs from international human rights standards; and
- Define processes to identify, prevent, account for, and remedy practices that violate or are inconsistent with the Policy.

SUPPORTING STATEMENT: Freedom of association and collective bargaining are fundamental human rights protected by international standards including the Fundamental Principles, United Nation’s Guiding Principles on Business and Human Rights, and the United Nation’s Universal Declaration of Human Rights. According to the International Labour Organization, “Freedom of association refers to the right of workers ... to create and join organizations of their choice freely and without fear of reprisal or interference.”

In some localities, the guidance outlined in these principles may be more stringent than national law. The United Nations High Commissioner for Human Rights asserts “...where national laws and regulations offer a level of human rights protection that falls short of internationally recognized human rights standards, enterprises should operate to the higher standard.”

Tesla’s policies lack clarity on this point. Tesla’s Business Code of Ethics states that “Tesla is committed to upholding and respecting all internationally recognized human rights,” but Tesla’s Global Human Rights Policy undermines this commitment by stating that Tesla respects labor rights “In conformance with local law,” notably leaving out the commitment to any more stringent international standards. Adopting the Policy will clarify to workers and other stakeholders that Tesla will adhere to the higher standard and avoid any real or perceived conclusion otherwise.

Tesla has been accused of interfering with workers’ rights in recent proceedings before the National Labor Relations Board (“Labor Board”). As of December 2023, the Labor Board has ruled against Tesla in several cases; others are pending. In 2021, the Labor Board upheld a ruling that Tesla illegally fired a worker in retaliation for union organizing, and illegally threatened workers regarding unionization. In Sweden, Tesla faces an expanding number of solidarity strikes after refusing to sign a collective agreement with mechanics represented by IF Metall.

Such reports represent material reputational and operational risks to Tesla’s shareholders. Workers’ ability to exercise their labor rights can also have positive outcomes for companies and investors. Unionization has been shown to support an equitable and inclusive workplace, decrease turnover, improve health and safety, boost innovation, and strengthen responsible business conduct.”

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Adopt a Human Rights Policy Respecting Freedom of Association

Rivian Automotive Inc.

BE IT RESOLVED: Shareholders request the Board of Directors adopt a Human Rights Policy which states the company's commitment to respect human rights as outlined in the United Nations Guiding Principles ("Guiding Principles") and the International Labour Organization Declaration on Fundamental Principles ("Fundamental Principles") within its direct operations, and describing steps to identify, assess, prevent, reduce, and, where appropriate, remedy adverse human rights impacts connected to its business.

SUPPORTING STATEMENT: Rivian appears to lack an overarching policy that upholds international human rights standards.

The Guiding Principles provide companies an authoritative standard for preventing and mitigating human rights abuses. The Fundamental Principles include the widely held American values of freedom of association and collective bargaining rights; the abolition of forced and child labor; the elimination of workplace discrimination; and a safe and healthy working environment.¹

Rivian's Supplier Code of Conduct calls on its suppliers to uphold these Principles, but the company has not committed to these same standards within its own operations.²

The majority of Rivian's peers have human rights policies based on the Guiding Principles and the Fundamental Principles. These peers include Ford, General Motors, Honda, Daimler (Mercedes Benz), BMW, Stellantis (Chrysler), Volvo, Nissan, Toyota, Volkswagen, Mitsubishi, and Subaru.

Allegations of poor working conditions have increased concerns with Rivian's practices. This includes an investigation by the National Labor Relations Board that Rivian threatened and retaliated against workers attempting to unionize³ and complaints filed by Rivian workers with federal regulators about safety violations.⁴

Rivian's lack of an effective, overarching human rights policy risks legal, regulatory, and reputational harm. Its flagship factory in Illinois is subject to a 2022 state constitutional amendment guaranteeing workers the right to organize and collectively bargain.⁵ The European Union's Draft Corporate Sustainability Due Diligence Directive will soon require implementation of the due diligence requirements of the Guiding Principles.⁶

Rivian itself admits that "foreign labor laws, regulations, and restrictions, including in the areas of supply chain, labor, environmental, health and safety and related compliance costs" as risks that, if unsuccessfully managed, might materially and adversely affect "business, prospects, financial condition, results of operations, and cash flows."⁷

Multiple studies have indicated that healthy workplace conditions are associated with improved stock performance.⁸ Freedom of association and collective bargaining have been associated with strengthened shareholder value through improved health and safety;⁹ increased productivity;¹⁰ lowered turnover, improved diversity, and lower levels of legal and regulatory violations.¹¹

More than a decade after its founding, Rivian has not set in place operational policies and practices necessary to protect human rights and differentiate and protect its brand.

1. https://www.ilo.org/dyn/normlex/en/f?p=1000:62:0:NO:62:P62_LIST_ENTRY_ID:2453911:NO
2. https://assets.rivian.com/2md5qhqeajym/5PEdyH1PnC3iEllseM49oY/060ec197886709bad62557bda70a618e/Rivian_-_Supplier_Code_of_Conduct.pdf
3. <https://www.nlrb.gov/case/25-CA-305293>
4. <https://www.yahoo.com/video/rivian-under-scrutiny-employees-allege-184027923.html>
5. <https://chicagopolicymreview.org/2023/03/01/illinois-voters-approve-a-constitutional-right-to-organize/>
6. https://commission.europa.eu/publications/proposal-directive-corporate-sustainability-due-diligence-and-annex_en
7. <https://www.sec.gov/ix?doc=Archives/edgar/data/1874178/000187417823000029/rivn-20230331.htm>, p. 43
8. <https://ehsdailyadvisor.blr.com/2016/04/stocks-up-on-strong-health-and-safety-programs/>; <https://www.sciencedaily.com/releases/2016/01/160106092020.htm>; <https://ideas.repec.org/a/eee/ribaf/v52y2020ic0275531919301448.html>; https://journals.lww.com/joem/fulltext/2021/06000/companies_that_promote_a_culture_of_health_2.aspx; https://acoem.org/acoem/media/PDF-Library/About_ACOEM/Link_Between_Workforce_Health_and_Safety.pdf
9. <http://oem.bmjjournals.org/content/early/2018/06/13/oemed-2017-104747>
10. <https://doi.org/10.1093/ije/ueaa048>; <https://www.ipa-involve.com/involvement-and-productivity-the-missing-piece-of-the-puzzle>
11. <https://www.blackrock.com/corporate/literature/whitepaper/the-making-of-long-term-capitalism.pdf>; [Severinovsky, The Value of Human Capital for Investors, Schroders, December 2022, p. 14-15](https://www.severinovsky.com/The_Value_of_Human_Capital_for_Investors_Schroders,_December_2022,_p._14-15.pdf); <https://www.piie.com/blogs/realtime-economic-issues-watch/higher-wages-low-income-workers-lead-higher-productivity>; <https://www.trilliuminvest.com/news-views/the-investor-case-for-supporting-worker-organizing-rights>; <https://www.workerscapital.org/our-resources/shared-prosperity-the-investor-case-for-freedom-of-association-and-collective-bargaining>; <https://hummedia.manchester.ac.uk/institutes/code/research/projects/racism-at-work/tuc-report-executive-summary.pdf>; <https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Report on Anti-Union Expenditures

Delta Air Lines, Inc.

RESOLVED: Shareholders request the Board of Directors issue a report on Delta Air Lines, Inc. (the “Company”) expenditures that are intended or could be viewed as intended to dissuade employees from joining or supporting unions (“union suppression”). In addition to internal Company expenses made for union suppression, the report should include disclosure of expenditures made to any outside entities, including:

Disclosure of the for-hire entities’ identities, fees, hours, remits and work performed in relation to employee unionization and collective bargaining efforts, as well as other services they are hired to perform for the Company. Description of the Board’s oversight of these for-hire entities; and, Disclosure of the for-hire entities’ adherence to the Company’s policies including reference to any legal and/or regulatory enforcement matters wherein the for-hire entities are involved.

SUPPORTING STATEMENT: Since 2019, Delta employees have engaged in union organizing efforts, and Delta has taken a variety of steps to dissuade employees from joining or supporting unions, including: creating and maintaining a website, playing videos in workplace rest areas, and distributing posters, flyers, and other printed materials to employees. In addition to the direct expenses entailed in developing and distributing these communications, Delta has been criticized for the content of these materials, including a flyer that urged employees to spend money on video games rather than union dues.

These actions by Delta potentially create legal, regulatory, and reputational risks for the Company. U.S. public support for unions is at historic levels. Investors increasingly recognize that effective human capital management may lead to greater diversity, lower turnover, higher productivity, and improved regulatory compliance, which are important to long-term shareholder value. Moreover, as one union avoidance consultant puts it, even if a company blocks unionization, “a lot of damage is done to the employer-employee relationship. You cannot overtly or obscurely threaten people and expect them to remain committed to the organization. A culture of intimidation is created, and that type of culture will lower productivity, create workplace stress, and increase turnover.”¹ Accounts of employer efforts to dissuade workers from unionizing support this assessment.²

Companies are required to file public reports on certain financial dealings with their employees and unions, as well as their expenditures to persuade employees about exercising their rights to organize and bargain collectively. However, the only filings Delta has made since 2006 refer to office space used by the pilots’ union. Additionally, while third-party entities, such as labor consultants who are hired by an employer to develop and execute union suppression efforts, are also required to file similar documentation, no filings reflecting such work for Delta appear.

Press reports indicate that employers are often slow to file required reports with the U.S. Department of Labor, if they ever do so.³ Shareholders are entitled to know how their Company is utilizing the capital they have entrusted to it, to assess its appropriateness. We urge you to vote FOR this resolution.

1. <https://projectionsinc.com/unionproof/staying-union-free-strategies/>

2. https://www.huffpost.com/entry/workers-wanted-a-union-then-the-mysterious-men-showed-up_n_64b7dd60e4b0dc4cab68347?gmc

3. <https://prospect.org/labor/companies-required-to-report-their-union-busting-many-dont/>; <https://prospect.org/justice/2023-10-05-lawyers-not-persuaders-littler-mendelson/>; https://www.huffpost.com/entry/why-we-know-so-little-about-the-us-union-busting-industry_n_64c28622e4b03ad2b897077f

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Paid Sick Leave Policy

Union Pacific Corporation

WHEREAS: One in five people working in the United States have no access to earned sick time, or “paid sick leave,” (PSL) for short-term illness, health needs, and preventive care.¹ They face an impossible choice: stay at home and risk their economic security or go to work and risk their own, their coworkers’, and the public’s health. Until 2023, Union Pacific Corporation (“UP”) did not offer PSL to most of its employees.²

While we commend UP for negotiating PSL policies for unionized employees in 2023, we are concerned that UP’s practice of treating PSL as an absence subject to discipline for certain employees under the company’s points-based attendance policy could meaningfully limit access to and use of this benefit.³

We believe subjecting employees to potential discipline for using PSL is unnecessary, bureaucratic, and punitive. While the Railway Labor Act requires railroad carriers, including UP, to negotiate with their unionized workforce over the terms and conditions of employment including PSL, federal courts have decided that the law does not require railroad carriers to negotiate over their attendance policies.⁴ We believe UP should unilaterally de-link its attendance policy from its PSL policy in order to provide employees time to visit a doctor or recover from an illness without fear of discipline or job loss.

PSL is a crucial contributor to public health, allowing contagious employees to isolate themselves from coworkers and the public. One study found a 56 percent reduction in COVID-19 cases because of temporary federally mandated paid sick leave in states that did not previously have PSL laws.⁵ State and local PSL laws have also been shown to reduce influenza-like illness (ILI) without causing negative effects on employment or wages,⁶ but these state and local laws are preempted by federal law and do not generally apply to UP employees.⁷ The cost of a pandemic like COVID can amount to 7.3 percent of the average economy.⁸ Such systemic costs threaten the diversified portfolios of investors.⁹

Additionally, PSL could help reduce turnover, attract and retain employees, support employee health and safety, and lead to more reliable service—particularly important as UP competes with peers and trucking to maintain share and gain volume.¹⁰ Workers with PSL are “28 percent less likely to experience non-fatal occupational injuries.”¹¹

Now that UP has granted all employees PSL, the company must ensure that employees may freely utilize it without fear of discipline or job loss, which would benefit the health of our company, our workforce, and our economy.

Resolved: Shareholders ask the Board of Directors to adopt and publicly disclose a policy that all Union Pacific Corporation employees be able to utilize paid sick leave benefits without being subject to discipline under Union Pacific Corporation’s employee attendance policies. This policy should not expire after a set time or depend upon the existence of a global pandemic.

1. <https://www.bls.gov/news.release/ebs2.t06.htm>
2. <https://www.up.com/media/releases/paid-sick-leave-nr-230322.htm>
3. <https://ble-t.com/resp/Union%20Pacific%20Railroad%20TEY%20Attendance%20Policy%2001-15-23.pdf>
4. <https://law.justia.com/cases/federal/district-courts/illinois/ilndce/1:2019cv06120/368684/34/>
5. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>
6. <https://voxeu.org/article/pros-and-cons-sick-pay>
7. <https://crosscut.com/news/2022/12/why-cant-wa-rail-workers-use-state-sick-leave>
8. <https://www.stlouisfed.org/publications/regional-economist/third-quarter-2021/covid19s-economic-impact-world>.
9. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf
10. <https://time.com/6213399/railroad-strike-impact-trains/>
11. <https://onlinelibrary.wiley.com/doi/epdf/10.1002/ajim.23469domain=author&token=SRURYFUS3FFZEGVMAZUG>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Paid Sick Leave Policy

TJX Companies, Inc.

WHEREAS: More than 28 million people working in the private sector have no access to earned sick time, or “paid sick leave” (PSL), for short-term health needs and preventive care.¹ Those most unlikely to have access to paid sick days include Black, Indigenous, and people of color (BIPOC), part-time, immigrant, retail, and other service-industry workers. In fact, 48% of Latinx workers and 36% of Black workers report having no paid time away from work of any kind.²

As the COVID-19 pandemic has shown, PSL is a crucial contributor to public health, allowing workers exposed to illness to quarantine.³ A study found 56% reduction in COVID-19 cases as a result of federally mandated PSL,⁴ and 11-30% reduction in influenza-like illnesses from state and local mandate.⁵

For a major retailer like TJX focused on physical stores (versus ecommerce), a lack of PSL could pose significant reputational and operational risks as TJX competes for employees in a tight labor market and for customers seeking a safe shopping experience. The company has identified “Associates’ willingness or ability to staff our stores and distribution centers or otherwise continue employment as a result of health concerns, economic pressures or otherwise” as an operational and strategic risk.⁶ The productivity loss due to sick employees being forced to work due to lack of PSL, otherwise known as “presenteeism”, can have immediate and chronic consequences estimated to cost the national economy \$160 billion annually. This issue can be overcome by paid sick days.⁷

Also, given that BIPOC workers are disproportionately affected by the lack of PSL, not offering employees a consistent and comprehensive PSL policy could pose reputational risks for TJX by conflicting with the company’s strong commitment to workplace inclusion and “policies and practices that reflect our philosophy of inclusion”.⁸

Given the operational and reputational risks companies face, shareholders can benefit from better disclosure of TJX’s PSL policy. Transparency of the company’s PSL policies such as specific eligibility requirements, amount PSL hours provided to each position, and whether PSL can be used to care for an ill family member will help investors understand how the company manages these risks.

Companies in various sectors have taken the initiative to disclose PSL policies for the sake of transparency and to alleviate confusion among employees and shareholders, including Macy’s⁹, Darden¹⁰, Kroger¹¹.

RESOLVED: Shareholders of TJX ask the company to publicly disclose its permanent paid sick leave policies, and where these go above legal requirements, including eligibility requirements. For the purpose of this proposal, ‘permanent’ means that the PSL policy is not conditional and that it should not expire after a set time or depends upon the existence of a global pandemic.

1. <https://www.bls.gov/news.release/pdf/ebs2.pdf>
2. <https://www.bls.gov/news.release/leave.t01.htm>
3. <https://cepr.org/voxeu/columns/pros-and-cons-sick-pay-schemes-contagious-presenteeism-and-noncontagious-absenteeism>
4. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>
5. https://www.nber.org/system/files/working_papers/w26832/w26832.pdf
6. Form 10-K for TJX Companies INC DE filed 03/29/2023
7. <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-good-for-business-and-workers.pdf>
8. <https://www.tjx.com/responsibility/workplace/inclusion-and-diversity>
9. <https://view.ceros.com/msl/macys-report-2022/p/9>
10. <https://www.darden.com/careers/restaurant-careers>
11. https://www.thekrogerco.com/wp-content/uploads/2022/04/TheKrogerCo_PaidTimeOffPolicy.pdf

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Paid Sick Leave

Canadian National Railway

RESOLVED: Shareholders ask the Board of Directors to negotiate paid sick leave policies with all unions representing Canadian National Railway's U.S. workforce. These policies should ensure that all CN employees are able to utilize paid sick leave benefits without being subject to discipline under CN's employee attendance policies.

SUPPORTING STATEMENT: One out of five people working in the United States have no access to earned sick time, or "paid sick leave", for short-term illness, health needs and preventive care.¹ They often face an impossible choice when they are sick: stay at home and risk their economic security or go to work and risk their coworkers' and the public's health. CN has significantly lagged all but one other Class I railroad in the amount of paid sick leave agreements it has negotiated with unions representing its U.S. workforce since the last round of national bargaining concluded.

As the COVID-19 pandemic has shown, paid sick leave is a crucial component of public health by allowing sick workers who are contagious to isolate themselves from their coworkers and the public. One study found a 56% reduction in COVID-19 cases as the result of temporary federally mandated COVID-19 paid sick leave in states that did not previously have paid sick leave.² State and local paid sick leave laws have also been shown to reduce influenza-like illness infections without causing negative effects on employment or wages.³

Under the Railroad Unemployment Insurance Act, railroad employees are only entitled to sickness benefits after seven days of illness.⁴ Railroad employees and their unions have expressed concern that these benefits are inadequate, and that employees risk discipline if they need to take unscheduled time off due to sickness.⁵ Workers' concerns about the need for paid sick leave have been exacerbated by the railroad industry's adoption of "precision scheduled railroading" that has reduced railroad carrier staffing levels by 30 percent since 2015.⁶ In 2022, members of various railway unions rejected tentative agreements that did not contain employer provided paid sick leave benefits.⁷ According to the Association of American Railroads, a nationwide rail shutdown due to a labor dispute could cost the U.S. economy more than \$2 billion a day.⁸

As a result of legislation passed in Canada in 2022, all of Canada's federally regulated employees, including CN's Canadian employees, get up to 10 days of paid sick leave a year. The implementation of this requirement in Canada has created a disparity where CN's Canadian workforce has immediate paid sick leave, but its U.S. based workforce is only entitled to sickness benefits after seven days of illness. That disparity does not make sense from a financial or operational perspective.

We believe negotiating comprehensive and permanent paid sick leave policies with all unions representing CN's U.S. workforce would help make the future operating environment more equitable and mitigate reputational, financial, and regulatory risk to Canadian National Railway.

1. <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>
2. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>
3. <https://voxeu.org/article/pros-and-cons-sick-pay>
4. <https://rrb.gov/Benefits/UB9>
5. <https://www.nytimes.com/2022/10/28/business/railroad-workers-strike-threat.html>
6. <https://www.nytimes.com/2022/09/15/business/economy/railroad-workers-strike.html>
7. <https://www.npr.org/2022/11/17/1136459343/railroads-rail-workers-strike-negotiations-labor-union>
8. <https://www.aar.org/wp-content/uploads/2022/09/AAR-Rail-Shutdown-Report-September-2022.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Workplace Health and Safety Audit

Chipotle Mexican Grill, Inc.

RESOLVED: Shareholders request the Board of Directors of Chipotle Mexican Grill, Inc. (“the Company”) commission an independent third-party audit on the impact of the Company’s policies and practices on the safety and well-being of workers. A report on the audit, prepared at reasonable cost and omitting proprietary information, should be made available on the Company’s website. The audit should include:

- Evaluation of management and business practices that contribute to an unsafe or violent environment, including staffing capacity;
- Meaningful consultation with workers and customers to inform appropriate solutions; and,
- Recommendations for actions and regular reporting with progress on identified actions.

SUPPORTING STATEMENT: Workplace violence is recognized as a national cause for concern. The U.S. Occupational Safety and Health Administration (OSHA) states that acts of violence and other injuries are the third leading cause of fatal occupational injury in the U.S. OSHA states, “However it manifests itself, workplace violence is a major concern for employers and employees nationwide.”

Chipotle has been the subject of media reports over the past year showing staff exposure to customer violence. We believe these reports represent a growing reputational risk to Chipotle and shareholders.

In 2023, there were terrifying reports of workers being robbed at gunpoint in Pittsburgh, Pennsylvania; Rochester, Minnesota; and Columbus, Ohio as well as Chipotle workers being assaulted by customers in Parma, Ohio.

Chipotle workers have been exposed to unsanitary conditions. A Chipotle restaurant in South Florida was the subject of an investigative TV news report on health risks from unclean conditions. The report revealed overflowing sewage from the restrooms into the dining and food service areas and observed workers standing in the sewage during cleanup efforts.

The Company has come under fire for failure to protect employees’ mental, emotional, and physical well-being. The United States Equal Employment Opportunities Commission (EEOC) filed a suit against the Company alleging management harassment of a female Muslim Chipotle worker in Lenexa, Kansas. The EEOC claims a manager repeatedly requested the worker to remove her hijab and eventually forcibly took the hijab off her head. Her complaints to management went unheeded and she resigned. The Company eventually offered her a position at another location and fired the manager for an unrelated issue.

We believe problems of understaffing can exacerbate workers’ anxiety over health and safety risks. In Augusta, Maine Chipotle workers cited safety concerns due to understaffing. An Augusta worker stated, “I think there were two people manning an entire kitchen meant for at least seven people.” Chipotle’s Code of Ethics states the Company protects the health and safety of its employees. We believe that however well-intentioned the policy, this commitment is not being met. We urge shareholders to vote FOR this proposal.

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Workplace Health and Safety Audit

Amazon.com, Inc

RESOLVED: Shareholders request that the Board commission an independent audit and report of the working conditions and treatment that Amazon warehouse workers face, including the impact of its policies, management, performance metrics, and targets. This audit and report should be prepared at reasonable cost and omit proprietary information.

Whereas: Investigative reports allege a “mounting injury crisis at Amazon warehouses,” with Amazon employees getting injured more frequently and severely than elsewhere in the industry.¹ CEO Jassy’s claim that Amazon’s injury rates are “about average” relative to industry peers is misleading since Amazon is included in the warehouse industry average, driving that figure up.² In 2022, Amazon employed 36 percent of all U.S. warehouse workers, and was responsible for 53 percent of all serious injuries in the industry.³ Thus Amazon’s own reporting downplays its significant problems, underscoring the need for an independent report.

Despite Amazon’s serious injuries decreasing between 2021 and 2022, its overall injuries increased. Amazon reported 39,000 total injuries at its U.S. facilities in 2022,⁴ more than double the rate at non-Amazon warehouses.⁵ Amazon’s warehouse conditions are not only a danger to employee safety, but also to the stability of its workforce. A 2021 New York Times investigation found that Amazon’s turnover rate was roughly 150 percent a year.⁶ In 2022, Forbes reported Amazon’s high attrition rate—double the industry average—is “costing the company and its shareholders \$8 billion annually.”⁷

Amazon workers are closely monitored for their work productivity, with employees alleging that the pressure to meet quotas under threat of termination can lead to injury and burnout.⁸ New laws in California and New York target Amazon’s use of productivity quotas that can prevent workers from complying with safety guidelines or recovering from strenuous activity, leaving them at high risk of injury and illness.⁹ Workers acknowledge Amazon instructs them on safety, but they have to break safety rules to keep up with their mandated quotas and pace of work out of fear of losing their jobs.¹⁰

Numerous federal- and state-level investigations found the high level of injury risk in Amazon’s operations violated the law, citing Amazon for willful misconduct, and alleging Amazon is “knowingly putting workers at risk” across multiple warehouses, an allegation so severe that only 0.4 percent of citations in the regulator’s 50-year history have been classified as willful.¹¹ In 2023, Senator Sanders launched an investigation into workplace health and safety practices at Amazon and penned a letter demanding information about Amazon’s “systematically underreported” injury rates, employee turnover, productivity targets and adherence to federal and state safety recommendations,” per The Washington Post.¹²

Currently, the Department of Justice is taking an unprecedented step by “investigating potential worker safety hazards at Amazon warehouses across the country, as well as possible fraudulent conduct designed to hide injuries from [regulators] and others,” while also investigating whether Amazon made “false representations” to lenders about its workplace safety record to obtain credit.¹³

1. <https://www.seattletimes.com/business/amazons-dupont-washington-warehouse-has-highest-injury-rates-of-any-fulfillment-center-in-the-u-s-report-shows/>
2. <https://www.businessinsider.com/amazon-jassy-injury-claims-shareholder-letter-2022-4>
3. https://thesoc.org/wp-content/uploads/2023/04/SOC_In-Denial_Amazon-Injury-Report-April-2023.pdf
4. <https://www.cnbc.com/2023/04/15/osha-cites-amazon-for-unsafe-warehouses-as-injury-numbers-remain-high.html>
5. <https://www.cnbc.com/2023/04/12/study-amazon-workers-seriously-hurt-at-twice-rate-of-other-warehouses.html>
6. <https://www.washingtonpost.com/business/2023/06/20/sanders-investigation-sentate-amazon/>
7. <https://www.forbes.com/sites/edwardsegal/2022/10/24/amazon-responds-to-release-of-leaked-documents-showing-150-annual-employee-turnover/?sh=7032aab41d0b>
8. https://www.huffpost.com/entry/amazon-fined-for-knowingly-putting-workers-at-risk-with-productivity-quotas_n_6238f2a5e4b009ab92fc0603
9. https://www.huffpost.com/entry/california-law-ab-701-targets-amazon-warehouse-production-quotas_n_614c5a0fe4b06beda46bc490;https://www.cnbc.com/2022/06/03/new-york-passes-bill-targeting-amazon-warehouse-productivity-quotas.html
10. <https://www.theatlantic.com/technology/archive/2019/11/amazon-warehouse-reports-show-worker-injuries/602530/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Workplace Safety Policy Assessment—Gun Violence

Walmart Stores, Inc.

RESOLVED: Shareholders urge Walmart Inc. (“Walmart” or the “Company”) to conduct a third-party, independent review of the impact of Company policies and practices on workplace safety and violence, including gun violence. A report on the review, prepared at reasonable cost and omitting proprietary information, should be published on Walmart’s website. At company discretion, the proponents recommend the audit and report include:

- 1) Evaluation of management and business practices that contribute to an unsafe or violent work environment, including staffing capacity and the introduction of new technologies; and
- 2) Recommendations that will help Walmart create safer work environments and prevent workplace violence.

SUPPORTING STATEMENT: Unsafe working conditions at Walmart and the broader retail industry are under increasing scrutiny.¹ Walmart employees have raised serious concerns about workplace safety issues including unsafely stacked products, organized theft, and threats of physical assault and/or gun violence from customers and co-workers.²

Incidents of workplace violence, particularly gun violence, have become too common at Walmart. Between July 1, 2020 and November 22, 2022 there were at least 363 gun incidents and 112 gun deaths at Walmart.³ In 2023, there was a violent or gun related incident at Walmart reported in the news every single month. As recent as November 23, 2023, a gunman with racist ideologies opened fire at a Walmart in Ohio injuring four people before committing suicide. This incident is reminiscent of the 2019 mass shooting in El Paso, Texas where a white supremacist gunned down 23 people and injured 22 others in a hate fueled rampage.⁴

Gun violence is an unprecedented public health crisis with substantial human and financial costs. Harvard researchers estimate that gun violence costs the United States \$557 billion annually and that “employers and their health insurers sustain a substantial financial burden from firearm injuries and have a financial incentive to prevent them.”⁵

State policymakers recognize the urgency of addressing workplace violence. In September, California enacted the nation’s first general industry workplace prevention safety requirement for employers. Senate Bill 533, signed into law by Governor Gavin Newsom, requires virtually every employer in the state of California to take steps to prevent and/or respond to workplace violence by having employers develop workplace violence prevention plans.⁶

Failure to effectively address workplace safety and violence exposes stakeholders, including employees, to unacceptable harms and exposes Walmart to financial, reputational, and legal risks.

As a 24-year Walmart Associate, I am personally invested in keeping myself and my co-workers safe at work. I am asking Walmart to evaluate how its practices may be contributing to an unsafe or violent work environment and to review existing workplace safety and violence prevention plans to ensure they adequately protect the health, safety, and lives of Walmart Associates.

I ask my fellow shareholders to vote yes for this proposal.

1. <https://www.forbes.com/sites/pamdanziper/2023/10/17/danger-in-the-store-retail-crime--makes-everyone-a-potential-victim/>

2. <https://www.businessinsider.com/most-dangerous-parts-of-working-retail-walmart-target-employees-2023-5>

3. <https://www.gunsdownamerica.org/new-research-shows-gun-violence-is-serious-threat-at-grocery-stores/>

4. <https://www.usatoday.com/story/news/nation/2023/09/25/mass-shooting-el-paso-walmart-pay-5-million/70964010007/>

5. <https://time.com/6217348/gun-violence-economic-costs-us/>

6. <https://www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/california-workplace-violence-law.aspx>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Disclosure of Health and Safety Violation Prevention Measures

AT&T Inc.

Similar resolutions were submitted to T-Mobile USA (subsidiary of Deutsche Telekom) and Verizon Communications Inc.

RESOLVED, that shareholders of AT&T Inc. ("AT&T") urge the Board of Directors to take the steps necessary to conduct an independent third-party assessment of AT&T's due diligence process for preventing health and safety violations in AT&T's supply chain for wireless communication services. The results of the assessment, prepared at reasonable cost and omitting legally privileged, confidential, or proprietary information, should be publicly disclosed on AT&T's website.

SUPPORTING STATEMENT: The International Labour Organization's Declaration on Fundamental Principles and Rights at Work recognizes the following international human rights:

- 1) freedom of association and the effective recognition of the right to collective bargaining;
- 2) the elimination of all forms of forced or compulsory labour;
- 3) the effective abolition of child labour;
- 4) the elimination of discrimination in respect of employment and occupation; and
- 5) a safe and healthy working environment.¹

AT&T's Principles of Conduct for Suppliers recognizes these human rights.²

While we commend AT&T for recognizing the human right to a safe and healthy workplace in its policies, we believe that conducting an independent third-party assessment of AT&T's due diligence process for preventing health and safety violations is appropriate. The United Nations' Guiding Principles on Business and Human Rights urge companies to "know and show" that they respect human rights by adopting "a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights."³

We are concerned about the potential violation of the human right to a safe and healthy workplace by AT&T's contractors that climb towers for wireless communication services. The climbing of communication towers to install and maintain wireless infrastructure equipment has raised safety concerns due to the hazardous nature of the work.⁴ The Occupational Safety and Health Administration has called tower climbing the most dangerous job in America.⁵

According to a report by the Occupational Safety and Health Administration and the Federal Communications Commission, "responsibility for employee safety is fractured into many layers" between wireless carriers, communications tower owners, and tower climber contractors. These regulatory agencies have recommended that carriers adopt various best practices for contractor selection and vetting, reporting, auditing, training, recordkeeping and communication.⁶

A May 2023 survey of tower climbers by the Communications Workers of America found that 59 percent of respondents know someone who has been seriously injured on the job and 17 percent have known someone who was fatally injured on the job. Moreover, 35 percent of respondents report pressure to work unsafely to meet deadlines and 60 percent of respondents state that safety incidents are only investigated "some of the time," "rarely," or "never".⁷

For these reasons, we urge you to vote FOR this shareholder resolution.

1. <https://www.ilo.org/declaration/lang--en/index.htm>
2. <https://attsuppliers.com/misc/SupplierSustainabilityPrinciples.pdf>
3. https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
4. <https://www.propublica.org/article/cell-tower-fatalities>
5. <https://www.osha.gov/news/speeches/02132008>
6. <https://www.osha.gov/sites/default/files/publications/OSHA3877.pdf>
7. <https://cwa-union.org/sites/default/files/2023-05/TCUCWASafetyReport.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Railroad Safety Committee

Norfolk Southern Corporation

Similar resolutions were submitted to Berkshire Hathaway Inc., CSX Corp., and Union Pacific Corporation.

RESOLVED, that shareholders of Norfolk Southern Corporation (the “Company”) urge the Board of Directors (the “Board”) to take the steps necessary to amend the charter of the Board’s Safety Committee (the “Committee”) to provide that the Committee has the power and duty to review staffing levels and their impact on safety, and to meet and confer on safety issues with relevant stakeholders such as customers, communities, employees, and labor unions.

SUPPORTING STATEMENT: Ensuring the safety of our Company’s railroad operations is not only a collective legal and ethical responsibility, but also a vital component of maintaining the financial health and reputation of our Company. Recent derailments in the railroad industry, including those involving our Company, have drawn attention to the potential risks associated with these operations, necessitating a proactive approach to enhance safety measures.¹ There are over 1,000 known train derailments a year in the United States—averaging three a day.²

As common carriers, railroads are required by federal law to transport hazardous materials that can result in the loss of life and environmental contamination in the event of a train derailment. In 2023, the Company’s train derailment in East Palestine, Ohio resulted in the release of vinyl chloride that captured national media attention and publicized the need for improved railroad safety.³ The 2023 East Palestine derailment has cost our Company almost \$1 billion and another similar derailment at our Company could pose a significant financial risk.⁴

The East Palestine train derailment has also increased scrutiny of the role of the Precision-Scheduled Railroading (“PSR”) operating model used by our Company and other Class I freight railroads to increase operating efficiency and reduce costs.⁵ In our view, PSR has resulted in greatly reduced staffing levels, less equipment, and longer trains, all of which have contributed to the safety issues. In 2022, Surface Transportation Board Chairman Martin Oberman stated that:

“Over the last 6 years, the Class Is collectively have reduced their work force by 29% – that is about 45,000 employees cut from the payrolls. In my view, all of this has directly contributed to where we are today – rail users experiencing serious deteriorations in rail service because, on too many parts of their networks, the railroads simply do not have a sufficient number of employees.”⁶

While PSR may reduce staffing costs in the short-run, we believe that the long-term cost of increased derailments will outweigh any short-term financial gain. By empowering the Committee to review staffing levels as they relate to safety, our Company can reduce the likelihood of derailments, protect its workforce, safeguard communities along its routes, provide better service to customers, demonstrate its commitment to ethical business practices, and enhance our Company’s long-term value.

1. <https://www.propublica.org/article/railroad-safety-union-pacific-csx-bsn-freight>; <https://www.npr.org/2023/03/06/1161262824/train-derailment-springfield-ohio>; <https://www.npr.org/2023/05/12/1175711317/norfolk-southern-railcars-derail-in-pennsylvania>
2. <https://www.npr.org/2023/03/09/1161921856/there-are-about-3-u-s-train-derailments-per-day-they-arent-usually-major-disasters>
3. <https://www.nytimes.com/2023/02/15/us/ohio-train-derailment-anxiety.html>; <https://www.nytimes.com/2023/02/17/opinion/ohio-train-derailment-safety-regulation.html>
4. <https://www.cnn.com/2023/07/27/investing/norfolk-southern-east-palestine-derailment-costs/index.html>
5. <https://www.ntsb.gov/news/press-releases/Pages/NR20230214.aspx>
6. <https://www.ntsb.gov/news/press-releases/Pages/NR20230302A.aspx>
7. <https://www.wsj.com/articles/norfolk-southern-derailment-spurs-questioning-of-turnaround-kings-strategy-5403464c>
8. <https://www.stb.gov/news-communications/latest-news/pr-22-21/>



Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Report on Driver Health and Safety

Uber Technologies

RESOLVED: Shareholders of Uber Technologies, Inc. (“Uber”) request that the Board of Directors commission an independent third-party audit on driver health and safety, evaluating the effects of Uber’s performance metrics, policies, and procedures on driver health and safety across markets.

The audit should be conducted with input from drivers, workplace safety experts, and relevant stakeholders from the regions where Uber operates and consider legislative/regulatory developments and adverse media coverage. A report on the audit, prepared at a reasonable cost omitting confidential and proprietary information, should be publicly disclosed on Uber’s website.

SUPPORTING STATEMENT: The largest ride-hail company globally, Uber strives to be “the safest way to go anywhere and get anything,” yet leaves its drivers worldwide facing pervasive health and safety issues.

In its 2023 statement in opposition to this proposal, Uber stated that an independent audit on safety was unnecessary as “we are currently undertaking an independent third party civil rights assessment that incorporates many of the same requests.”¹ That was not accurate; the civil rights audit was United States-focused, not conducted with a health and safety perspective, and its recommendations said Uber should “explore adding additional safety metrics to current disclosures.”² Additionally, Uber only releases United States safety reports, which do not include nonfatal/attempted assault, verbal abuse, carjackings/robberies, threats, etc.

In the United States, Uber drivers represent almost 1 percent of job-related deaths. A recent report revealed that 83 app workers were murdered on the job from 2017 to 2021; a study of over 900 drivers found that 67 percent experienced violence/threatening behavior in the last year, and 60 percent continued rides that made them feel unsafe because they were worried about deactivation or income loss.

Independent reporting suggests a global driver safety crisis. Australian authorities fined Uber for neglecting to report over 500 serious incidents, some resulting in hospitalizations, and witnessed “a concerning surge in UberEats driver fatalities.”³ Instances range from assaults due to route choices in Montreal, fatalities following robbery attempts in Calgary, assaults on drivers in Australia, reports of violence in India, racially motivated verbal and physical assault in the United Kingdom, and drivers attacked and carjacked in Brazil, resulting in them demanding increased protection against theft and robbery.

We are especially concerned that Uber’s policies may discourage drivers from reporting safety incidents. If drivers decline or cancel too many rides, Uber can issue penalties. Drivers also report that Uber deactivates them while investigating incidents. In April 2023, a Dutch appeals court also ruled Uber violated drivers’ rights in several instances, including when algorithms were involved in terminating driver accounts.

Lawmakers, regulators, media, public health practitioners, and the public have scrutinized the safety crisis. The lack of transparency and failure to adequately investigate and address driver health and safety issues pose significant financial, regulatory, and reputational risks to Uber.

We urge shareholders to vote FOR this proposal.

1. https://s23.q4cdn.com/407969754/files/doc_financials/2023/Stockholders2023/final-2023-proxy.pdf
2. https://s23.q4cdn.com/407969754/files/doc_governance/2023/Uber-CRA-Report-August-2023.pdf
3. <https://www.smh.com.au/national/spate-of-rider-deaths-a-tragedy-uber-chief-executive-20201125-p56hz4.html>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Worker Rights

Report On Potential Cost Savings through Adoption of No Smoking Policy

Boyd Gaming Corporation

Similar resolutions were submitted to Bally's Corporation and Caesars Entertainment Corporation.

RESOLVED: Shareholders request the Board of Directors commission and disclose a report on the potential cost savings through the adoption of a smokefree policy for Boyd Gaming properties. The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published within six months following the 2024 shareholders meeting.

WHEREAS: The U.S. Surgeon General released a landmark report in 2006 stating that there is no safe level of exposure to secondhand smoke. Tobacco use and secondhand smoke exposure kills nearly 500,000 Americans every year.¹ For the gaming industry, workers on casino floors are largely people of color and women; lack of access to smokefree air can deepen existing disparities in health outcomes.

The COVID-19 pandemic changed long-held business assumptions across many industries. For the gaming industry, customers became much more sensitive to indoor air quality and how such air affects their health.

While our Company may have efforts to address indoor air quality, the American Society of Heating, Refrigerating and Air-Conditioning Engineers states: "There is no currently available or reasonably anticipated ventilation or air cleaning system that can adequately control or significantly reduce the health risks of environmental tobacco smoke to an acceptable level."²

As independent researchers C3 Gaming found in analyzing revenue performance in several competitive casino markets, smokefree casinos, for the first time, generated more revenue: "Data from multiple jurisdictions clearly indicates that banning smoking no longer causes a dramatic drop in gaming revenue. In fact, non-smoking properties appear to be performing better than their counterparts that continue to allow smoking."³

There are potential business risks to allowing indoor smoking in Boyd Gaming properties, from higher employee health insurance premiums (when compared with casinos that don't permit indoor smoking), greater maintenance costs, and deterring a significant number of potential visitors who won't visit a casino due exposure to tobacco smoke (87% of the American public does not smoke).⁴

Shareholders have no guidance as to the costs our Company is bearing for continuing to allow indoor smoking, nor has the Company disclosed the social and environmental costs and risks imposed on its stakeholders.

Parx Casino's Chief Marketing Officer told the Play Pennsylvania website in February 2023 that since the casino went smokefree, Parx has seen a positive effect on the health and morale of employees, and did not increase health insurance premiums: "Frankly, we are starting to see health costs go down....What's been interesting to me, is a lot of our smoking guests have actually said things like, 'I never realized how smoky and annoying it was. I really don't mind walking 50 feet out to the smoking patio.'"⁵

New customer preferences require an examination of the status quo in which smoking is allowed in gaming properties around the country. We believe our Company could enhance its ESG initiatives by conducting the report that our proposal requests. We urge Boyd Gaming shareholders to vote in favor of this proposal.

1. https://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/tobacco_related_mortality/index.htm
2. https://www.ashrae.org/file%20library/about/position%20documents/pd_environmental-tobacco-smoke-2020-07-1.pdf
3. https://8b3e0552-f01a-40e0-b077-ea4813c4af0b.usrfiles.com/ugd/8b3e05_348baee6d05949ad9b4adae2b7a77105.pdf
4. https://www.cdc.gov/tobacco/data_statistics/fact_sheets/adult_data/cig_smoking/index.htm
5. <https://www.playpennsylvania.com/g2e-panel-discussion-parx-casino-smoking/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Global Supply Chains

Human Rights Due Diligence within Supply Chain

TJX Companies, Inc.

WHEREAS: TJX Companies (“the Company”) sources from approximately 21,000 vendors in over 100 countries, including locations where forced, child, and prison labor are known to exist in the manufacturing chain of product categories sold in TJX stores;

While TJX’s Vendor Code of Conduct prohibits forced, child, and prison labor, TJX does not conduct or require routine audits of factories to confirm compliance beyond the producers of private label merchandise (reportedly a very small portion of inventory);

Failure to disclose adequate due diligence mechanisms has garnered TJX low scores on several human rights benchmarks including KnowTheChain, Remake Fashion Accountability Report, and Corporate Human Rights Benchmark (CHRB). CHRB compares companies against the preeminent UN Guiding Principles on Business and Human Rights (UNGPs) and scored TJX only 4 of 26 possible points in 2020. UNGPs specify due diligence principles for human rights commitments, including assessing actual and potential human rights impacts, integrating and acting upon findings, tracking responses, and communicating remedies;

Novel scientific testing increases the risk of previously unknown violations becoming associated with the Company if laboratory isotope testing finds evidence of products made from forced labor in Company stores;

Lastly, buyer responsibility expectations are increasing. John Sherman of Harvard Kennedy School’s Corporate Responsibility Initiative described that “[w]hen huge multinational enterprises require their contractual counterparties to comply with the UNGPs, procurement lawyers are incentivized to address the deficiencies of current supply chain contracts from an HRDD [human rights due diligence] perspective.” Sherman explains that draft model supply chain contracts are under development that would shift contracts from a “representations and warranties approach to a human rights due diligence regime, in which buyers and suppliers would share the responsibility of addressing supply chain human rights abuse”¹;

Shareholders believe that material risk to shareholder value may exist due to the Company’s limited supplier compliance program.

RESOLVED: Shareholders of TJX Companies urge the Board of Directors to oversee a third-party assessment and report to shareholders, at reasonable cost and omitting proprietary information, assessing the effectiveness of current company due diligence in preventing forced, child, and prison labor in TJX’s supply chain.

SUPPORTING STATEMENT: Shareholders recommend that the report, at Board and management’s discretion:

- Assess risks that TJX’s existing approach, which lacks systematic verification of compliance with the Vendor Code of Conduct, could lead to occurrences of forced, child, or prison labor in the supply chain;
- Evaluate related risks to company finances, operations, and reputation;
- Consider expected effectiveness of proactive solutions like requiring social audits of underlying suppliers when purchasing off-price retail products;
- Analyze the risk to TJX’s business of growing supply chain monitoring methods such as isotope and DNA traceability testing that may identify the origin of particular goods and provide evidence of forced labor-made products;
- Draw upon guidance of international standards such as the UNGP and the ILO Indicators of Forced Labor.²

1. https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/CRI_WP_79_Final.pdf

2. https://www.fairlabor.org/sites/default/files/documents/reports/forced_labor_guidance_update_july-2019.pdf

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Global Supply Chains

Human Rights Impact Assessment

Walmart Stores, Inc.

RESOLVED, Shareholders request that Walmart publish Human Rights Impact Assessment(s) (HRIAs), at reasonable cost and omitting confidential information, examining the actual and potential impacts of one or more high-risk¹ commodity in Walmart's supply chain or facility in its operations. A report on the assessment should be published on the company's website.

SUPPORTING STATEMENT:

- Human rights standards and principles used to frame the assessments;
- The rationale for selecting the high-risk commodity or operation;
- Actual and potential adverse impacts associated with the product or operation;
- Types and extent of stakeholder consultation;
- Walmart's connection and level of responsibility to the risks identified; and
- Time-bound action plans presenting how the findings will be implemented to prevent, mitigate and/or remedy impacts.

Companies that cause, contribute, or are directly linked to human rights abuses face material risks which can undermine shareholder value. As one of the largest companies in the United States, Walmart's relationships with workers and high-risk suppliers expose it to reputational, legal, operational, and ultimately financial risks.

Increased public scrutiny on employers whose workers lack dignified work conditions, business practices that perpetuate economic inequality,¹ and reliance upon high-risk suppliers magnify these risks. The New York Times reported alarming working conditions for Walmart's frontline workers during the pandemic,² including accusations that Walmart punished workers for using sick time.³ According to a 2022 book, at least half of Walmart's hourly workers earn under \$29,000 annually – below a living wage.⁴

Conducting HRIAs could also spare Walmart from costly public relations crises stemming from human rights risks in U.S. supply chains, such as a Walmart watermelon supplier being convicted of conspiracy to commit forced labor,⁵ and the New York Times investigation into Walmart's supplier illegally using child migrant labor.⁶ It similarly mitigates against reputational damage from abuses in global supply chains, like Reuters' investigation into Walmart suppliers using forced prison labor in Cambodia,⁷ reports that Walmart's glove suppliers used forced prison labor,⁸ and the New Yorker/Outlaw Ocean investigation exposing widespread use of trafficked labor on fishing ships and forced labor in processing plants producing seafood sold by Walmart.⁹ That reporting has led to actions from the E.U. parliament, U.S. Congress and intense pressure on federal agencies to force companies like Walmart to better track their supply chains.¹⁰

HRIAs can help mitigate these risks by enabling Walmart to identify, analyze, and address the root causes of those risks. They can also insulate companies from being unprepared for regulatory changes, like the European Corporate Sustainability Due Diligence Directive and the Uyghur Forced Labor Prevention Act. Competitors including Kroger, Jumbo, and Tesco have committed to conduct human rights impact assessments.

Given the low cost of conducting HRIAs relative to the significant potential costs of human rights violations, we urge the Board to adopt this proposal.

1. <https://equitablegrowth.org/walmart-is-a-monopsonist-that-depresses-earnings-and-employment-beyond-its-own-walls-but-u-s-policymakers-can-do-something-about-it/>
2. <https://www.nytimes.com/2021/09/27/business/walmart-coronavirus-workers-safety.html>
3. <https://www.nytimes.com/2017/06/01/business/walmart-workers-sick-days.html>
4. <https://time.com/charter/6238245/still-broke-rick-wartzman/>
5. <https://www.dol.gov/newsroom/releases/whd/whd20230202-2> ; <https://www.business-humanrights.org/en/latest-news/usa-mexican-workers-contracted-by-lvh-subject-to-forced-labour-on-watermelon-farms-supplying-to-walmart-kroger-sams-club-schnucks/>
6. <https://www.nytimes.com/2023/02/25/us/unaccompanied-migrant-child-workers-exploitation.html>
7. <https://www.reuters.com/sustainability/walmart-centric-probe-suppliers-potential-links-cambodia-womens-prison-2023-08-21/#:~:text=PHNOM%20 PENH%2FNEW%20YORK%2C%20Aug,from%20a%20U.S.%20industry%20group>
8. <https://www.business-humanrights.org/en/latest-news/human-rights-advocates-raise-concerns-that-milwaukee-tool-gloves-are-made-with-forced-labour-in-a-chinese-prison-incl-co-responses/>
9. <https://www.newyorker.com/magazine/2023/10/16/the-crimes-behind-the-seafood-you-eat>
10. <https://www.theoutlawocean.com/investigations/china-the-superpower-of-seafood/impact/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Global Supply Chains

End Child Labor in Cocoa Production

Mondeléz International, Inc.

RESOLVED: Shareholders request that, within one year, the Board of Directors adopt targets and publicly report quantitative metrics appropriate to assessing whether Mondeléz is on course to eradicate child labor in all forms from the Company's cocoa supply chain by 2025. In the Board and management's discretion, such metrics may include: current estimates of the total numbers of children in its supply chain on a regional basis, working in hazardous jobs, working during school hours, employed after school hours, and percentage of workers paid a living wage.

Whereas: Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization's definition of the "worst forms of child labor."¹ International agreements have repeatedly failed to eradicate hazardous child labor from cocoa supply chains.²

Cocoa farming remains plagued by child labor.² The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60 percent of cocoa is produced.³ Despite Mondeléz's Cocoa Life program, established to stamp out child labor, and monetary commitments,⁴ child labor on cocoa farms in Ghana rose by 10 percent since 2009, amounting to 55 percent.⁵ Furthermore, 95 percent of cocoa farming children in West Africa are "involved in hazardous child labor."⁶

Mondeléz acknowledges "cocoa farmers and their communities are still facing big challenges."⁷ While Mondeléz states it's "on track" to achieve its goal of Child Labor Monitoring & Remediation Systems covering 100 percent of Cocoa Life communities in West Africa by 2025, it currently reports 74 percent coverage.⁸ Even if Mondeléz reaches this goal by 2025, that does not guarantee its cocoa will be child labor-free.

Poverty is a root cause of child labor.⁹ When workers are not paid a living wage, they struggle to afford child care, school, and are often forced to send their children to work in order to make a survivable income.¹⁰ Therefore, without a commitment to pay all workers a living wage, Mondeléz cannot effectively eliminate child labor from its supply chain.

Failure to adhere to United Nations Sustainable Development Goal 8.7, calling for the elimination of all child labor by 2025,¹¹ exposes Mondeléz and its investors to significant financial, legal, and reputational risks. This is evidenced by a 2023 lawsuit alleging Mondeléz profits from "brutal conditions" of "child labor on plantations where they source their cocoa."¹²

Mondeléz remains absent from Slave Free Chocolate's list of companies using ethically grown cocoa,¹³ and "would not guarantee that any of their products were free of child labor" per The Washington Post.¹⁴

Mondeléz states, "No amount of child labor in the cocoa supply chain should be acceptable."¹⁵ Shareholders agree, and require the requested report to assure management fulfills its fiduciary duty to protect Mondeléz and its investors from adverse risks associated with continued use of child labor within its cocoa supply chain.

1. <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-are-as-of-c%C3%B4te-d%80%9ivoire-and-ghana.aspx>; <https://www.iilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang--en/ind ex.htm>
2. https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPR-A-List-of-Goods-v3.pdf
3. <https://www.reuters.com/business/sustainable-business/cadbury-maker-mondelez-invest-600-mln-sustainable-co-coa-sourcing-2022-10-25/>
4. <https://www.reuters.com/business/sustainable-business/cadbury-maker-mondelez-invest-600-mln-sustainable-co-coa-sourcing-2022-10-25/>
5. <https://nypost.com/2022/04/04/investigation-uncovers-horrible-truth-behind-cadburys-creme-egg/>
6. [Id.](#)
7. <https://www.cocoalife.org/progress/next-phase-of-cocoa-life>
8. <https://www.mondelezinternational.com/snacking-made-right/reporting-and-disclosure/>
9. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC353357/>
10. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5966045/>; <https://insights.issgovernance.com/posts/world-day-against-child-labour-2021-focusing-on-decent-wages/#:-:text=Differing%20from%20a%20minimum%20wage,important%20safeguard%20against%20child%20labour>
11. <https://www.unodc.org/roseap/en/sustainable-development-goals.html>
12. <https://www.internationalrightsadvocates.org/cases/ghana>
13. <https://www.slavefreechocolate.org/ethical-chocolate-companies>
14. https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/?utm_term=.6cb753bcb6f8
15. <https://www.cocoalife.org/the-program/child-labor>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Global Supply Chains

End Child Labor in the Value Chain

Tyson Foods, Inc.

RESOLVED: Shareholders of Tyson Foods ("Tyson") request the Board of Directors commission an independent third-party audit assessing the effectiveness of the Company's policies and practices in preventing illegal child labor throughout its value chain. A report on the audit, prepared at reasonable cost and omitting proprietary information and pending litigation, should be made available on the company's website.

SUPPORTING STATEMENT: At company discretion, the proponents recommend the audit include:

- Evaluation of Tyson policies and practices regarding, but not limited to, slaughter and processing facilities, third-party contractors, suppliers etc. linked to child labor violations;
- Meaningful consultation with workers, suppliers, and other relevant stakeholders to inform appropriate solutions and ensure compliance with federal child labor requirements; and
- Recommendations for actions and regular reporting with progress on identified actions.

WHEREAS: Investors remain concerned the illegal use of child labor poses significant financial, reputational, legal, and human rights risks throughout the Company's value chain. In March 2023, a Department of Labor ("DOL") investigation found the use of illegal child labor in Tyson's Arkansas and Tennessee facilities. These children, employed by Tyson contractor Packers Sanitation Services Inc., worked during the night shifts and were exposed to dangerous chemicals and meat processing equipment like back saws and head splitters.¹ The investigation found 7 children working in Tyson facilities and assessed the penalty at \$105,966, the maximum penalty under federal law.² DOL investigations into illegal child labor, including 600 ongoing investigations, highlight the systemic nature of the risk.³

Despite Tyson's no tolerance policy for the use of illegal child labor, the Company does not disclose information on how its commitment is implemented.⁴ Furthermore, as 10 states have introduced bills to roll back child labor protections during the past 2 years, the majority of which are home to Tyson meatpacking plants, Tyson has not opposed any of the bills.⁵ Arkansas, where Tyson is headquartered, recently approved one such law.⁶ Although there is no direct evidence, Tyson's financial interest and silence may indicate support of these rollbacks.

The findings of child labor in Tyson's plants may be a symptom of a larger worker rights problem at Tyson, which has a track record for violating its workers' health and safety.

Among US OSHA-covered companies, Tyson ranks the fifth highest for reported severe worker injuries, including amputations and hospital stays.⁷ OSHA's actions in the first 7 months of 2023 uncovered 21 violations at 13 Tyson facilities in five states,⁸ leading to initial fines exceeding \$100,000.⁹

The company's resistance to federal and state health safeguards during COVID-19, detailed in two congressional reports, may be contributing to its underperformance.¹⁰ Tyson faces lawsuits filed by workers citing the company's mishandling of the pandemic.¹¹ Investors are uncertain if ongoing safety concerns contribute to labor shortages, financial underperformance, the closure of six plants since March 2023, and child labor risks.¹²

1. <https://www.dol.gov/newsroom/releases/whd/whd20230217-1>
2. <https://www.dol.gov/newsroom/releases/whd/whd20230217-1>
3. <https://www.dol.gov/newsroom/releases/osec/osec20230227>
4. https://tysonsustainability.com/downloads/Tyson_Foods_Global_Human_Rights_Policy.pdf
5. <https://www.epi.org/publication/child-labor-laws-under-attack/>
6. <https://www.epi.org/publication/child-labor-laws-under-attack/>
7. <https://www.epi.org/blog/an-average-of-27-workers-a-day-suffer-amputation-or-hospitalization-according-to-new-osha-data-from-29-states-meat-and-poultry-companies-remain-among-the-most-dangerous/>
8. https://www.osha.gov/ords/imin/establishment/search?p_logger=1&establishment=Tyson+Foods&State=all&officetype=all&Office=all&sitezip=&pcase=all&p_violations_exist=all&startmonth=08&startday=02&startyear=2018&endmonth=08&endday=02&endyear=2023; https://www.osha.gov/ords/imin/establishment/search?establishment=Tyson&state=all&officetype=all&Office=all&sitezip=100000&startmonth=08&startday=02&startyear=2018&endmonth=08&endday=02&endyear=2023&p_case=all&p_start=20&p_finish=40&p_sort=12&p_desc=DESC&p_direction=Prev&p_show=20&p_v_iolations_exist=both
9. [Id.](#)
10. <https://coronavirus-democrats-oversight.house.gov/sites/democrats.coronavirus.house.gov/files/2022.5.12%20-%20SSCC%20report%20Meatpacking%20FINAL.pdf; https://coronavirus-democrats-oversight.house.gov/sites/democrats.coronavirus.house.gov/files/2021.10.27%20Meatpacking%20Report.Final.pdf>
11. <https://law.justia.com/cases/federal/appellate-courts/ca5/22-10171/22-10171-2023-03-27.html; https://www.ca5.uscourts.gov/opinions/pub/21/21-11110-CV0.pdf; https://www.insurancejournal.com/news/southcentral/2023/03/10/711829.htm#>
12. https://www.fair.org/news-events/press-releases/meat-companies-inaction-on-working-conditions; https://www.reuters.com/markets-commodities/tyson-foods-shut-four-more-us-chicken-plants-2023-08-07/; https://apnews.com/article/tyson-foods-plant-chicken-e45205f70baece25eda5ec3ba2129170 exist=bothsearch?establishment=Tyson&state=all&officetype=all&Office=all&sitezip=100000&startmonth=08&startday=02&startyear=2018&endmonth=08&endday=02&endyear=2023&p_case=all&p_start=20&p_finish=40&p_sort=12&p_desc=DESC&p_direction=Prev&p_show=20&p_v_iolations_exist=both

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Analyze and Report Risks of Child Sexual Exploitation and Abuse

Apple Computer, Inc.

WHEREAS: Online sexual exploitation of children poses material business risks to Information, Communication and Technology (ICT) companies and investors. In addition to reputational and legal risks, emerging legislation, including the United States' STOP CSAM Act and Kids On-line Safety Act, the European Union's Digital Services Act, the United Kingdom's Online Safety Bill, and Australia's 'Online Safety Act' aims to hold tech companies responsible for keeping children safe online, and imposes penalties that present financial risks for failing to adequately address the problem.

Each year, millions of images and videos of child sexual abuse material (CSAM) circulate online with reports having increased 15,000 percent over the last 15 years.¹ In 2022, the National Center for Missing and Exploited Children (NCMEC) received 31 million reports of alleged child sex abuse material.² NCMEC noted that prepubescent children are at the greatest risk of being depicted in CSAM.³ Artificial intelligence is now being used to produce CSAM, magnify existing sextortion schemes, and target potential victims at previously unseen rates.⁴

Apple is the world's most valuable company and a major influencer in the ICT space with over 1.65 billion devices in active use. Its consumer electronics, software, operating systems and platforms for music, film, and internet portals are accessed by hundreds of millions of young people every day.

Apple does not proactively attempt to detect CSAM stored in its iCloud services despite widely available PhotoDNA detection technology used by other major tech firms, including Facebook,⁵ Google,⁶ Adobe,⁷ Reddit,⁸ Discord,⁹ and Verizon.¹⁰ Nor does Apple attempt to detect when its products and services are used to live-stream child sexual abuse.¹¹ Former Apple Executive Eric Friedman stated that due to the company's privacy protections, Apple is the "greatest platform for distributing child porn."¹² Apple has developed "communication safety" tools to warn users about the dangers of sexual exploitation. Apple does not disclose data regarding the effectiveness of the tools in preventing the exploitation of children, claiming that doing so could raise privacy concerns. However, this information is financially material and will shed light on risks to investors.

The Tech Coalition, where Apple sits on the Board, emphasizes the importance of transparency in addressing CSAM. ICT peers, including Meta,¹³ Amazon/Twitch,¹⁴ AT&T¹⁵ and Verizon,¹⁶ have reported results from human rights and child rights impact assessments to understand and address risks to children across their business units. However, Apple discloses little information on how it assesses the risk of its products facilitating child sexual exploitation, leaving investors in the dark.

RESOLVED: Shareholders request that Apple publish a report by March 2025, assessing risks of its products and services being used to facilitate online sexual exploitation of children, including metrics on the effectiveness of Apple's efforts such as the amount of CSAM transmission prevented annually, prepared at reasonable expense, excluding proprietary information.

1. <https://www.thorn.org/>
2. <https://www.missingkids.org/ourwork/impact>
3. <https://www.missingkids.org/theissues/csam>
4. <https://cyber.fsi.stanford.edu/io/news/ml-csam-report#:~:text=June%202024%2C%202023-,New%20report%20finds%20generative%20machine%20learning%20exacerbates%20online%20sexual%20exploitation,is%20facilitating%20child%20sexual%20exploitation>
5. <https://about.fb.com/news/2020/06/fighting-child-exploitation-online/#:~:text=We%20have%20also%20taken%20steps,housed%20elsewhere%20on%20the%20internet>
6. <https://blog.google/technology/safety-security/how-we-detect-remove-and-report-child-sexual-abuse-material/>
7. <https://www.adobe.com/legal/lawenforcementrequests/childsafety.html#:~:text=We%20utilize%20scanning%20technologies%20such,databases%20of%20known%20CSAM%20hashes>
8. https://www.reddit.com/r/RedditEng/comments/13bvo5b/reddits_p0_media_safety_detection/?rdt=56222#:~:text=Since%202016%2C%20Reddit%20has%20used,image%20uploaded%20to%20our%20platform
9. <https://discord.com/safety/360043700632-discords-commitment-to-a-safe-and-trusted-experience#:~:text=For%20example%20we%20use%20PhotoDNA,our%20policies%20in%20their%20communities>
10. <https://www.verizon.com/about/our-company/company-policies/verizons-efforts-combat-online-child-exploitation-faqs>
11. <https://www.esafety.gov.au/newsroom/media-releases/world-first-report-shows-leading-tech-companies-are-not-doing-enough-tackle-online-child-abuse>
12. <https://www.forbes.com/sites/johnkoetsier/2021/08/19/apple-exec-we-are-the-greatest-platform-for-distributing-child-porn/?sh=32a7217b3c20; https://s3.documentcloud.org/documents/21044004/2020-february-fear-friedman-admits-in-feb-2020-that-app-store-greatest-platform-for-child-porn-predator-grooming.pdf>
13. <https://www.bsr.org/reports/bsr-meta-human-rights-impact-assessment-e2ee-report.pdf>
14. https://www.bsr.org/reports/BSR-Twitch-Human-Rights-Impact-Assessment-Report_2.pdf
15. <https://sustainability.att.com/priority-topics/human-rights>
16. <https://www.verizon.com/about/sites/default/files/CRIA-Executive-Summary-June-2022.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Child Safety Online

Alphabet, Inc.

WHEREAS: The internet was not developed with children in mind. Social media impacts children's brains differently than adult brains. It also poses physical and psychological risks that many children and teens are unprepared for, including sextortion and grooming, hate group recruitment, human trafficking, cyberbullying and harassment, exposure to sexual or violent content, invasion of privacy, self-harm content, and financial scams, among others.

YouTube and parent company, Alphabet, have faced numerous problems associated with its content moderation and platform design principles, which have proven to be particularly harmful for children and more vulnerable groups.

Child Sexual Abuse Exploitation: YouTube is often noted as a primary online channel for grooming and coercion, livestreaming, and housing Child Sexual Abuse Exploitation (CSAE) material. In Tanzania, total online child sexual exploitation and abuse-related offences on YouTube increased by 50% between 2017 and 2019.¹ YouTube was found to be among the primary platforms reported by children who were offered money or gifts in return for sexual images or videos in Thailand (60% of incidents occurred through YouTube), Kenya (24%), and Uganda (12%).² Traffickers in certain industries used YouTube to recruit and interact with those eventually trafficked.⁴

Children's Data Privacy: Alphabet has faced legacy issues stemming from YouTube's record \$170 million fine⁵ paid to the Federal Trade Commission response to allegations that YouTube illegally harvested children's data.

Legislative Risk: There has been significant regulatory and legislative action to hold online platforms accountable for their content. The new European Union's Digital Services Act will make identifying, reporting, and removing child sexual abuse material mandatory.⁶ The United Kingdom's Online Safety bill aims to keep internet users, particularly children, safe from fraudulent and harmful content. The United States' proposed Kids Online Safety Act of 2023 enjoys public and bipartisan Congressional support and advocates for social media platforms to introduce accountability metrics and regular audits to prevent "child risks including suicide, eating disorders, substance abuse, sexual exploitation, and advertisements of illegal products."⁷

We commend Alphabet for taking steps to protect against these risks the past year by updating its Google Family website, introducing Legislative Framework to Protect Children and Teens Online⁸, increasing team capacity by hiring a Child Safety Manager, and beginning to consider integrating children's safety into design principles of products and services. However, these policies point heavily to parental discretion and "individual choice" and fall short of fully protecting the Company's exposure to well-documented risks of harmful content getting through YouTube's platform. Furthermore, Alphabet does not have performance targets linked to children's online safety for investors and stakeholders to judge the effectiveness of Alphabet's content moderation tools and assess compliance with emerging regulatory standards.

RESOLVED: Shareholders request that, within one year, the Board of Directors adopts targets and publishes annually a report (prepared at reasonable expense, excluding proprietary information) that includes quantitative metrics appropriate to assessing whether YouTube/Alphabet has improved its performance globally regarding child safety impacts and actual harm reduction to children on its platforms.

1. https://www.end-violence.org/sites/default/files/2022-03/DH_Tanzania_ONLINE_final_revise%20020322.pdf
2. <https://www.end-violence.org/sites/default/files/2021-10/DH%20Kenya%20Report.pdf>
3. https://www.end-violence.org/sites/default/files/2021-11/DH_Uganda_ONLINE_final%20Report.pdf
4. <https://polarisproject.org/wp-content/uploads/2018/08/A-Roadmap-for-Systems-and-Industries-to-Prevent-and-Disrupt-Human-Trafficking-Social-Media.pdf>
5. <https://archive.ph/fhUug>
6. <https://www.consilium.europa.eu/en/policies/prevent-child-sexual-abuse-online/#rules>
7. https://www.young.senate.gov/imo/media/doc/kids_online_safety_act_one_pager.pdf
8. <https://static.googleusercontent.com/media/publicpolicy.google/en//resources/youth-legislative-framework.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Child Safety Online

Meta (Facebook Inc.)

The internet was not developed with children in mind. Social media impacts children's brains differently than adult brains.¹ It also poses physical and psychological risks that many children and teens are unprepared for, including sextortion and grooming, hate group recruitment, human trafficking, cyberbullying and harassment, exposure to sexual or violent content, invasion of privacy, self-harm content, and financial scams, among others.

Meta is the world's largest social media company with billions of children and teen users. Meta's platforms, including Facebook, Instagram, Messenger and WhatsApp, have been linked to numerous child safety impacts including:

Mental Health: Meta's own research shows Instagram's negative impacts on teens' self-image, increased rates of depression and anxiety, and a link to increased suicidal thoughts.² Forty-two states have sued Meta claiming that Facebook and Instagram algorithms are intentionally addictive and harm kids' mental health.³

Sexual Exploitation: In 2022, nearly 32 million cases of online child sexual abuse material were reported; over 27 million of those (85 percent) stemmed from Meta platforms.⁴ Meta has started encrypting Facebook Messenger despite urgent warnings from law enforcement and child protection organizations that encryption will hide millions of reports, cloak the actions of child predators, and make children more vulnerable.⁵ A Wall Street Journal investigation describes how Instagram's algorithms "connect and promote" a vast pedophile network by guiding pedophiles to sellers of child sexual abuse materials.⁶

Cyberbullying: Time Magazine reported that "By one estimate, nearly 80% of teens are on Instagram and more than half of those users have been bullied on the platform."⁷ A United Kingdom study ranked Instagram first in youth cyberbullying, with 42 percent reporting bullying, followed by Facebook (39 percent), and WhatsApp (17 percent).⁸

Data Privacy: In 2022, Meta was fined over \$400 million for failing to safeguard children's information on Instagram.⁹

Legislation: The new European Union's Digital Services Act will make identifying, reporting and removing child sexual abuse material mandatory.¹⁰ The United Kingdom's Online Safety bill aims to keep internet users, particularly children, safe from fraudulent and harmful content. The United States' proposed Kids Online Safety Act enjoys public and bipartisan Congressional support and requires companies to prevent or mitigate child risks including suicide, eating disorders and substance abuse.^{11,12}

Meta is facing significant regulatory, reputational, and legal risks due to these unabated issues.

Meta's website lists some steps taken to improve child safety, but it has no publicly available, company-wide child safety or harm reduction performance targets for investors and stakeholders to judge the effectiveness of Meta's announced tools, policies and actions.

RESOLVED: Shareholders request that, within one year, the Board of Directors adopts targets and publishes annually a report (prepared at reasonable expense, excluding proprietary information) that includes quantitative metrics appropriate to assessing whether Meta has improved its performance globally regarding child safety impacts and actual harm reduction to children on its platform

1. <https://www.apa.org/news/apa/2022/social-media-children-teens>
2. <https://www.wsj.com/articles/facebook-knows-instagram-is-toxic-for-teen-girls-company-documents-show-11631620739>
3. <https://www.usatoday.com/story/opinion/2023/11/03/meta-lawsuit-attorney-general-pursue-social-media-accountability/71410913007/>
4. <https://www.missingkids.org/content/dam/missingkids/pdfs/2022-reports-by-esp.pdf>
5. <https://www.nytimes.com/2023/12/06/technology/meta-messenger-encryption.html>
6. <https://www.wsj.com/articles/instagram-vast-pedophile-network-4ab7189>
7. <https://time.com/5619999/instagram-mosseri-bullying-artificial-intelligence>
8. <https://techjury.net/blog/cyberbullying-statistics>
9. <https://www.cnet.com/news/privacy/meta-fined-400m-for-failing-to-protect-childrens-privacy-on-instagram>
10. <https://www.nytimes.com/2022/04/28/opinion/social-media-facebook-transparency.html?smid=em-share>
11. <https://abcnews.go.com/Politics/protecting-kids-online-bipartisan-cause-senators/story?id=97195752>
12. <https://www.nbcnews.com/tech/social-media/kosa-kids-online-safety-act-speech-censor-rcna12824>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

AI Transparency Report

Apple Computer, Inc.

RESOLVED: Shareholders request that Apple Inc. prepare a transparency report on the company's use of Artificial Intelligence ("AI") in its business operations and disclose any ethical guidelines that the company has adopted regarding the company's use of AI technology. This report shall be made publicly available to the company's shareholders on the company's website, be prepared at a reasonable cost, and omit any information that is proprietary, privileged, or violative of contractual obligations.

SUPPORTING STATEMENT: If adopted, this proposal asks our company to issue a transparency report on the company's use of AI technology and to disclose any ethical guidelines that the company has adopted regarding AI technology. We believe that adopting an ethical framework for the use of AI technology will strengthen our company's position as a responsible and sustainable leader in its industry. By addressing the ethical considerations of AI in a transparent manner, we can build trust among our company's stakeholders and contribute positively to society.

The adoption of AI technology into business raises a number of significant social policy issues. For example, the use of AI in human resources decisions may raise concerns about discrimination or bias against employees. The use of AI to automate jobs may result in mass layoffs and the closing of entire facilities. AI may be used in ways that violate the privacy of customers and members of the public. AI technology may be used to generate "deep fake" media content that may result in the dissemination of false information in political elections.

The White House Office of Science and Technology Policy has developed a set of ethical guidelines to help guide the design, use, and deployment of AI. These five principles for an AI Bill of Rights are:

- 1) safe and effective systems,
- 2) algorithmic discrimination protections,
- 3) data privacy,
- 4) notice and explanation, and
- 5) human alternatives, consideration, and fallback.

(White House Office of Science and Technology Policy, "Blueprint for an AI Bill of Rights: Making Automated Systems Work for the American People," October 2022, available at <https://www.whitehouse.gov/ostp/ai-bill-of-rights>).

We believe that the adoption of ethical guidelines for the use of AI can help improve our company's bottom line by avoiding costly labor disruptions. In 2023, writers and performers went on strike against the Alliance of Motion Picture and Television Producers in part over concerns that the use of AI technology to create media content will infringe on the intellectual property and publicity rights of writers and performers and potentially displace human creators. (Wall Street Journal, "Hollywood's Fight: How Much AI Is Too Much?," July 31, 2023, available at <https://www.wsj.com/articles/at-the-core-of-hollywoods-ai-fight-how-far-is-too-far-f57630df>).

In our view, AI systems should not be trained on copyrighted works, or the voices, likenesses and performances of professional performers, without transparency, consent and compensation to creators and rights holders. We also believe that AI should not be used to create literary material, to replace or supplant the creative work of professional writers.

For these reasons, we urge you to vote FOR this shareholder proposal.



Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

AI Transparency Report

Netflix, Inc.

Similar resolutions were submitted to Comcast Corp., Disney (Walt) Company/ABC, and Warner Bros.

RESOLVED: Shareholders request that Netflix, Inc. (the "Company") prepare and publicly disclose on the Company's website a transparency report that explains the Company's use of Artificial Intelligence ("AI") in its business operations and the Board's role in overseeing AI usage, and sets forth any ethical guidelines that the company has adopted regarding its use of AI. This report shall be prepared at a reasonable cost and omit information that is proprietary, privileged, or violative of contractual obligations.

SUPPORTING STATEMENT: The use of AI by large corporations raises significant social policy concerns. These concerns include potential discrimination or bias in employment decisions, mass layoffs due to job automation, facility closures, the misuse and disclosure of private data, and the creation of "deep fake" media content that may result disseminate false information. These concerns pose a risk to the public and the Company's reputation and financial position.

Transparency regarding the Company's use of AI, and any ethical guidelines governing that use, will strengthen the Company. Transparency would address the public's growing concerns and distrust about the indiscriminate use of AI, strengthening the Company's position and reputation as a responsible, trustworthy, and sustainable leader in its industry. With a transparency report, the Company could establish that it uses AI in a safe, responsible, and ethical manner that complements the work of its employees and values the public.

The White House Office of Science and Technology Policy has developed ethical guidelines to help guide the design, use, and deployment of AI. These five principles for an AI Bill of Rights are

- 1) safe and effective systems,
- 2) algorithmic discrimination protections,
- 3) data privacy,
- 4) notice and explanation, and
- 5) human alternatives, consideration, and fallback.

(White House Office of Science and Technology Policy, "Blueprint for an AI Bill of Rights: Making Automated Systems Work for the American People," October 2022, available at <https://www.whitehouse.gov/ostp/ai-bill-of-rights>).

If the Company does not already have ethical guidelines for the use of AI, the adoption of ethical guidelines for the use of AI may improve the Company's performance by avoiding costly labor disruptions and lawsuits related to the improper use of AI. The entertainment industry writer and performer strikes, sparked in part by AI concerns, and lawsuits related to the use of copyrighted works by AI engines have been prominent new stories throughout 2023 and may prove costly for companies that make use of AI.

We believe that issuing an AI transparency report is particularly important for companies such as ours in the entertainment industry that create artistic works that are the basis for our shared culture. In our view, AI systems should not be trained on copyrighted works, or the voices, likenesses and performances of professional performers, without transparency, consent and compensation to creators and rights holders. AI should also not be used to create literary material, to replace or supplant the creative work of professional writers.

For these reasons, we urge you to vote FOR this proposal.

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Report on Generative Artificial Intelligence Misinformation and Disinformation Risks

Meta (Facebook Inc.)

WHEREAS: There is widespread concern that generative Artificial Intelligence (gAI)—generated through Meta's tools and disseminated across its platforms — threatens to amplify misinformation and disinformation globally, posing serious threats to the Company, human rights, and democratic processes. This is of particular concern as 2024 will feature critical elections in the United States, India, Mexico, and Russia.¹

Sam Altman, leading AI executive, said he is “particularly worried that these models could be used for large-scale disinformation.”² Eurasia Group ranked gAI the third highest political risk confronting the world, warning new technologies “will be a gift to autocrats bent on undermining democracy abroad and stifling dissent at home.”³

With Meta's recent development of gAI products, including conversational assistants and advertising tools, the Company is increasingly at risk from misinformation and disinformation generated through its own products. Meta recognizes this risk, stating these tools “have the potential to generate fictional responses or exacerbate stereotypes it may learn from its training data.”⁴

Meta must also address gAI misinformation and disinformation disseminated across its platforms. The Company has long struggled with effective content moderation, even prior to the introduction of gAI. In 2022, Meta promoted content questioning the validity of Brazil's election.⁵ Meta was found to play a “critical role” in the spread of false narratives that fomented the violence in the United States Capital on January 6, 2021.⁶ And Meta failed to mitigate Russian operatives' widespread disinformation campaign during the 2016 United States presidential election.⁷

While Meta has publicly acknowledged the risks of gAI and outlined some guardrails, it continues to prioritize gAI product development without addressing the existential risks posed by the technology. In November, Meta split up its team responsible for understanding and preventing harms associated with its AI technology.⁸

Legal experts believe content generated from Meta's own technology is unlikely to be shielded by Section 230 (Communications Decency Act), which has historically provided legal protection when third party content is posted.

Shareholders are concerned Meta incurs significant legal, financial, and reputational risk due to its rapid development and deployment of gAI products and the dissemination of gAI-content across its platforms, absent parallel assessments of the threats this poses to the Company and society.

RESOLVED: Shareholders request the Board issue a report, at reasonable cost, omitting proprietary or legally privileged information, to be published within one year of the Annual Meeting and updated annually thereafter, assessing the risks to the Company's operations and finances, and to public welfare, presented by the Company's role in facilitating misinformation and disinformation disseminated or generated via generative Artificial Intelligence; what steps the Company plans to take to remediate those harms; and how it will measure the effectiveness of such efforts.

1. <https://time.com/6333288/tech-companies-ai-misinformation/>
2. <https://www.cnbc.com/2023/03/20/openai-ceo-sam-altman-says-hes-a-little-bit-scared-of-ai.html>
3. <https://www.eurasia-group.net/issues/top-risks-2023>
4. <https://about.fb.com/news/2023/09/building-generative-ai-features-responsibly/>
5. <https://time.com/6333288/tech-companies-ai-misinformation/>
6. <https://www.propublica.org/article/facebook-hosted-surgeof-misinformation-and-insurrection-threats-in-months-leading-up-to-jan-6-attack-records-show>
7. <https://www.vox.com/policy-and-politics/2023/1/20/23559214/russia-2016-election-trolls-study-email-hack>
8. <https://www.theinformation.com/articles/meta-breaks-up-its-responsible-ai-team>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Report on Generative Artificial Intelligence Misinformation and Disinformation Risks

Alphabet, Inc.

WHEREAS: Generative Artificial Intelligence (gAI) threatens to amplify misinformation and disinformation, as exemplified by reports about Bard, Gemini, and other Alphabet AI-driven products, including targeted ads, compromising human rights and democratic processes. This is of particular concern as 2024 will feature critical elections in the United States, India, Mexico, and Russia.

Eurasia Group ranked gAI the third highest political risk confronting the world, warning new technologies “will be a gift to autocrats bent on undermining democracy abroad and stifling dissent at home.”¹ Some threats from gAI stem from its generation of inaccurate and invented information in text and images and its ability to accelerate their spread.² Other threats come from gAI tools that enable precise ad targeting that could propagate disinformation among voters.³

Sam Altman, leading AI executive, said he is “particularly worried that these models could be used for large-scale disinformation.”⁴ The Information has noted that gAI drops “the cost of generating believable misinformation by several orders of magnitude.”⁵ Environmental advocates warn that AI “threatens to amplify the types of climate disinformation that have plagued the social media era.”⁶ One study found Google’s Palm chat technology created misinformation “hallucinations” at a rate of 27 percent, the highest among AI systems tested.⁷ Members of the team developing Bard “openly debate the AI tool’s effectiveness and utility, with some questioning whether the enormous resources going into development are worth it.”⁸ Alphabet has invested an estimated \$200 billion in AI over the last decade.⁹

While Alphabet publicly acknowledges the risks of AI and the need for reliable guardrails,¹⁰ it continues to “supercharge”¹¹ gAI product development without addressing the existential threats posed by the technology, undermining Google’s established human rights commitments.¹² Researchers at Princeton, Virginia Tech, and Stanford have found that the guardrails many companies, including Alphabet, rely on to mitigate the risks “aren’t as sturdy as A.I. developers seem to believe.”¹³ Further, legal experts believe content generated by Alphabet’s own technology is unlikely to be shielded by Section 230 (Communications Decency Act), which has historically provided legal protection when third-party content is posted.

Shareholders are concerned that Alphabet incurs significant legal, financial, and reputational risks because of its rapid development and deployment of gAI products, absent parallel assessments of the threats they pose to the Company and society.

Resolved: Shareholders request the Board issue a report, at reasonable cost, omitting proprietary or legally privileged information, to be published within one year of the Annual Meeting and updated annually thereafter, assessing the risks to the Company’s operations and finances, and to public welfare, presented by the Company’s role in facilitating misinformation and disinformation generated, disseminated, and/or amplified via generative Artificial Intelligence; what steps the Company plans to take to remediate those harms; and how it will measure the effectiveness of such efforts.

1. <https://www.urasiaigroup.net/issues/top-risks-2023>
2. <https://www.cureus.com/articles/176775-artificial-hallucinations-by-google-bard-think-before-you-leap#/!/>
3. <https://www.brookings.edu/articles/how-ai-will-transform-the-2024-elections/>
4. <https://fortune.com/2023/06/08/sam-altman-openai-chatgpt-worries-15-quotes/>
5. <https://www.theinformation.com/articles/what-to-do-about-misinformation-in-the-upcoming-election-cycle>
6. <https://epic.org/wp-content/uploads/2023/09/Final-Letter-to-Sen.-Schumer-on-Climate-AI-1.pdf>
7. <https://www.nytimes.com/2023/11/06/technology/chatbots-hallucination-rates.html>
8. <https://www.bloomberg.com/news/articles/2023-10-11/google-insiders-question-usefulness-of-bard-ai-chatbot>
9. <https://www.reuters.com/technology/ai-lesson-microsoft-google-spend-money-make-money-2023-07-25>
10. <https://blog.google/technology/ai/our-responsible-approach-to-building-guardrails-for-generative-ai/>
11. <https://blog.google/products/search/generative-ai-search/>
12. https://about.google/intl/ALL_us/human-rights/
13. <https://www.nytimes.com/2023/10/19/technology/guardrails-artificial-intelligence-open-source.html>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Report on Human Rights Impact of AI Driven Advertising Practices

Alphabet, Inc.

RESOLVED: Shareholders direct the board of directors of Alphabet Inc. to publish an independent third- party Human Rights Impact Assessment (the “Assessment”), examining the actual and potential human rights impacts of Google’s artificial intelligence-driven targeted advertising policies and practices. This Assessment should be conducted at a reasonable cost; omit proprietary and confidential information, as well as information relevant to litigation or enforcement actions; and be published on the company’s website by June 1, 2025.

WHEREAS: Google advertising accounted for approximately 80% of Alphabet’s revenue in 2022. Alphabet’s ad business, including Google Search, YouTube Ads and Google Network, has grown substantially lately, reaching \$224 billion in 2022.¹

Algorithmic systems are deployed to deliver targeted advertisements, determining what users see. This often results in and exacerbates systemic discrimination and other human rights violations.² Google’s current ad infrastructure is driven by third-party cookies, which enable other entities to track users online by accumulating significant personal data. This further puts user privacy at risk. While Google has initiated efforts^{3,4,5} to address privacy shortcomings in its advertising system, it remains unclear how these efforts are supporting the establishment of sufficient and effective human rights due diligence.

Google asserts that human rights are “integrated into processes and procedures across the company” with executive oversight.⁶ However, to do their due diligence, shareholders need more information on how these considerations specifically apply to its dominant source of revenue. In 2019, Google published a summary of a third-party Human Rights Impact Assessment of a celebrity facial recognition algorithm.⁷ Its targeted ad systems, which affect billions, deserve the same due diligence, particularly as Google and its peers innovate in advertising targeting methods continuously.

Concerns around fairness, accountability, non-discrimination and transparency have prompted regulators globally to develop regulations aiming at regulating the use and development of responsible AI while promoting transparency and effective human rights due diligence. The Digital Services Act⁸ requires companies like Alphabet to take measures to considerate human rights into their handling of user data and algorithmic decision-making. The upcoming EU’s Artificial Intelligence Act⁹ will further regulate the development and use of AI and require AI systems classified as high-risk, including activities relating to targeted advertising, to be subjected to a mandatory fundamental rights impact assessment.

With its 274 million unique U.S. visitors in 2023, Google has one of the largest footprints of any entity in the world.¹⁰ This unmatched influence requires a proportional commitment to preserving and respecting human rights across all parts of its business model. Failure to do so may expose shareholders to material regulatory, legal, financial and reputational risks.

A robust and transparent Assessment is essential for the company to identify, address, and prevent adverse human rights impacts. It will aid in establishing industry-wide accountability for human rights and assure shareholders that its business model is well positioned in the face of increasing regulation.

1. <https://abc.xyz/assets/d4/4f/a48b94d548d0b2fdc029a95e8c63/2022-alphabet-annual-report.pdf>
2. https://edri.org/wp-content/uploads/2021/06/EDRI_Discrimination_Online.pdf
3. <https://blog.google/technology/ads/announcing-the-launch-of-the-new-ads-transparency-center/>
4. <https://blog.google/technology/safety-security/online-safety-features-updates-google-io-2023/>
5. <https://blog.google/products/android/the-privacy-sandbox-beta-is-coming-to-android/>
6. <https://about.google/human-rights/>
7. <https://services.google.com/fh/files/blogs/bsr-google-cr-api-hria-executive-summary.pdf>
8. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/digital-services-act_en
9. <https://www.europarl.europa.eu/news/en/headlines/society/20230601ST093804/eu-ai-act-first-regulation-on-artificial-intelligence>
10. <https://www.statista.com/topics/1001/google/#topicOverview>

Proxy Resolutions: Human Rights and Worker Rights

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Tech Sector

Human Rights Impact of AI Deployment

Amazon.com, Inc

RESOLVED: Shareholders request that the Board of Directors of Amazon.com, Inc. (the “Company”) charter a new committee of independent directors on Artificial Intelligence (“AI”) to address human rights risks associated with the development and deployment of AI systems. The committee charter shall authorize the committee to meet with employees, customers, suppliers, and other relevant stakeholders at the discretion of the committee, and to retain independent consultants and experts as needed.

The development and deployment of AI technology without adequate human rights due diligence has resulted in a range of human rights risks and harms to employees, users, vulnerable communities and society at large.¹ In light of our Company’s leading role in the development and deployment of AI, we believe that our Company needs to ensure that its AI systems do not cause or contribute to violations of internationally recognized human rights.

According to the United Nations’ High Commissioner for Human Rights:

AI has the potential to strengthen authoritarian governance. It can operate lethal autonomous weapons. It can form the basis for more powerful tools of societal control, surveillance, and censorship. Facial recognition systems, for example, can turn into mass surveillance of our public spaces, destroying any concept of privacy. AI systems that are used in the criminal justice system to predict future criminal behaviour have already been shown to reinforce discrimination and to undermine rights, including the presumption of innocence.²

For example, the use of AI to make human resource decisions may lead to unlawful employment discrimination. In 2018, our Company reportedly scrapped an experimental AI hiring tool that had taught itself that male candidates were preferable to female candidates.³

Military and police applications of AI technology can also raise human rights concerns. In 2021, our Company reportedly took over a Department of Defense contract for an AI system to analyze military drone footage after Google dropped the project due to protests by Google employees.⁴

AI-driven misinformation and disinformation can also undermine democracy and distort election outcomes. For example, our Company’s Alexa voice assistant was reported to have falsely claimed that the 2020 U.S. presidential election was stolen.⁵ And in the 2024 presidential primary election, Republican candidates have used AI generated deep fake images to attack each other.⁶

While we appreciate the steps that our Company has taken to establish ethical guidelines for the responsible use of AI, we believe that appointing a committee of independent directors will increase the Board of Directors’ oversight of AI-related human rights risks. In our view, appointing a dedicated AI committee will enhance accountability to shareholders by clearly identifying which directors are responsible for AI-related human rights risks.

Given our Company’s leading role in developing and deploying AI technology and the fundamental and significant risks that AI poses to human rights, we believe that appointing a Board-level committee is warranted and appropriate as a matter of good corporate governance.

1. <https://mitsloan.mit.edu/ideas-made-to-matter/third-party-ai-tools-pose-increasing-risks-organizations> ; <https://www.nytimes.com/2023/05/30/technology/ai-threat-warning.html>
2. <https://www.ohchr.org/en/statements/2023/07/artificial-intelligence-must-be-grounded-human-rights-says-high-commissioner>
3. <https://www.reuters.com/article/us-amazon-com-jobs-automation-insight-idUSKCN1MK08G/>
4. <https://www.datacenterdynamics.com/en/news/amazon-and-microsoft-picked-up-50m-in-us-military-drone-surveillance-contracts-following-google-dropping-project-maven/>
5. <https://www.washingtonpost.com/technology/2023/10/07/amazon-alexa-news-2020-election-misinformation/>
6. <https://www.nytimes.com/2023/06/08/us/politics/desantis-deepfakes-trump-fauci.html>

Proxy Resolutions: Human Rights and Worker Rights

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Tech Sector

AI Principles and Board Oversight

Alphabet, Inc.

In 2018 Alphabet launched its Artificial Intelligence (AI) Principles which included the following:

1. Be socially beneficial.
2. Avoid creating or reinforcing unfair bias.
3. Be built and tested for safety.
4. Be accountable to people.
5. Incorporate privacy design principles.
6. Uphold high standards of scientific excellence.
7. Be made available for uses that accord with these principles.¹

However, there is evidence which suggests that the AI Principles have not been successfully implemented. In August 2023, the New York Times reported on a project “with generative A.I. to perform at least 21 different types of personal and professional tasks, including tools to give users life advice, ideas, planning instructions and tutoring tips.” It went on to conclude “The project was indicative of the urgency of Google’s effort to propel itself to the front of the A.I. pack and signaled its increasing willingness to trust A.I. systems with sensitive tasks. … The capabilities also marked a shift from Google’s earlier caution on generative A.I.”²

In September 2023, the roll out of Bard to connect to a user’s Gmail, Google Docs and Google Drive accounts was described by one prominent commentator as “a mess” and he was surprised it was released given how “erratically it acted”. While the company made privacy assurances, those were undercut by its warning against sending Bard “any data you wouldn’t want a reviewer to see or Google to use.”³ Relatedly, there is also reporting that calls into question Alphabet’s ability to comply with laws designed to protect children. This raises concerns for us that Alphabet’s board may not be providing sufficient oversight regarding social impacts.⁴

As government AI interventions focused on public welfare and national security emerge around the world, regulatory risk suggests heightened board oversight is needed. We believe that shareholders, many of whom are widely diversified and may feel the impacts of the potential negative externalities of Alphabet’s AI activities throughout their investment portfolios, would benefit from improved oversight. Corporate governance is very important when it comes to AI and it is unclear to us how Alphabet’s board is resolving tensions and prioritization challenges that arise between its AI Principles and its financial goals. While the Audit and Compliance Committee charter covers data privacy and security and civil and human rights, we believe the critical nature of AI to the company and its shareholders calls for expressly articulated coverage.

RESOLVED: shareholders request the board of directors amend the charter of the Audit and Compliance Committee of the Board to add to the committee’s “purpose” section appropriate language which makes it clear that the Committee is responsible for overseeing Alphabet’s artificial intelligence activities and ensuring management’s comprehensive and complete implementation of its AI Principles.

1. <https://ai.google/responsibility/principles/>

2. <https://www.nytimes.com/2023/08/16/technology/google-ai-life-advice.html>

3. <https://www.nytimes.com/2023/09/20/technology/google-bard-extensions.html>

4. <https://adalytics.io/blog/are-youtube-ads-coppa-compliant> , <https://www.markey.senate.gov/news/press-releases/senators-markey-blackburn-demand-ftc-investigate-youtube-google-for-suspected-violations-of-childrens-privacy> ”



Proxy Resolutions: Human Rights and Worker Rights

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Tech Sector

Report on Political Advertising and False/Divisive Information

Meta (Facebook Inc.)

WHEREAS: As reported in August 2023, Meta considered prohibiting all political advertising, only to reverse course to remain competitive with X (formerly Twitter).¹ The X platform is increasingly a haven for allowing and protecting hate speech.² X's approach is a financial failure, with X having lost more than half its value in just one year.³

Social media platforms like Facebook are increasingly used to promote specific causes or political candidates, influence voting patterns, and target individuals based on their political beliefs.⁴ Campaigns often buy or sell users' data for targeted advertising and finely honed personalized messages.⁵

According to a Pew Research Center survey, more than half of U.S. adults say social media companies should not allow any political advertisements on their platforms.⁶ A larger share (77%) find it "not very" or "not at all acceptable" for platforms to sell data about their users' online activities so users can then be targeted with political campaign ads.⁷

In addition to invading users' privacy, "microtargeted" ads are often sources of fake news or misinformation—including intentional disinformation.⁸ Reporting has described how foreign operatives "worked off evolving lists of racial, religious, political, and economic themes. They used these lists to create pages, write posts, and craft ads that would appear in users' news feeds—with the apparent goal of appealing to one audience and alienating another."⁹ All of this is enabled by the targeting power and data collection practices of social media platforms like Facebook that financially depend on selling advertising.

After shareholder and public engagement on this issue in the run up to the 2020 U.S. presidential election, Meta successfully altered algorithms and took other actions to de-prioritize extremist postings and to instead emphasize mainstream news content.¹⁰ After the election, and despite promised plans to "evaluate" partner and content monetization policies, and the effectiveness of brand safety controls available to advertisers,¹¹ it now appears Meta has eliminated the successful pre-election systems.¹²

Selling targeted political ads and abandoning successful "enhanced actions" to halt amplification of false and misleading information is a material risk for shareholders. Concern is growing that Meta is following X into a massive loss of valuation.

BE IT RESOLVED: Shareholders request that the Board prepare a publicly available report, at reasonable cost and omitting proprietary and privileged information, to assess the benefits and drawbacks to our Company of: (1) prohibiting all political advertising on its platforms and (2) restoring the type of enhanced actions put in place during the 2020 election cycle to reduce the platform's amplification of false and divisive information.

1. <https://www.washingtonpost.com/technology/2023/08/25/political-conspiracies-facebook-youtube-elon-musk/>
2. <https://www.washingtonpost.com/technology/2023/08/25/political-conspiracies-facebook-youtube-elon-musk/>
3. <https://www.nytimes.com/2023/10/30/technology/x-twitter-19-billion-dollars.html>
4. <https://www.nytimes.com/2019/10/30/technology/twitter-political-ads-ban.html>
5. <https://www.newyorker.com/tech/annals-of-technology/the-problem-of-political-advertising-on-social-media>
6. <https://www.pewresearch.org/short-reads/2020/09/24/54-of-americans-say-social-media-companies-shouldnt-allow-any-political-ads/>
7. <https://www.pewresearch.org/short-reads/2020/09/24/54-of-americans-say-social-media-companies-shouldnt-allow-any-political-ads/>
8. <https://mediaengagement.org/research/misinformation-social-media-and-the-price-of-political-persuasion/>
9. https://www.washingtonpost.com/business/technology/russian-operatives-used-facebook-ads-to-exploit-divisions-over-black-political-activism-and-muslims/2017/09/25/4a011242-a21b-11e7-ade1-76d061d56efa_story.html
10. <https://www.nytimes.com/2020/11/24/technology/facebook-election-misinformation.html>
11. <https://www.facebook.com/business/news/updates-to-our-continued-investment-in-system-transparency>
12. <https://www.nytimes.com/2020/11/24/technology/facebook-election-misinformation.html>

Proxy Resolutions: Human Rights and Worker Rights

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Tech Sector

Human Rights Impact Assessment

Meta (Facebook Inc.)

RESOLVED: Shareholders direct the board of directors of Meta Platforms, Inc. to publish an independent third-party Human Rights Impact Assessment (HRIA), examining the actual and potential human rights impacts of Facebook's use of artificial intelligence systems that drives its targeted advertising policies and practices throughout its business operations. This HRIA should be conducted at reasonable cost; omit proprietary and confidential information, as well as information relevant to litigation or enforcement actions; and be published on the company's website by June 1, 2025.

WHEREAS: Facebook's business model relies almost entirely on ads, with over 98% of Facebook's global revenue in 2022 generated from advertising. Facebook ad revenue stood at nearly \$114 billion in 2021, a new record for the company and a significant increase from previous years¹.

Meta deploys artificial intelligence tools to enable the delivery of targeted advertisements. These algorithmic decision-making systems determine what individual users see, resulting in and exacerbating systemic discrimination² and other human rights violations. Data used to enable the targeting of such ads include personal and behavioral data of Facebook users, which further exposes Facebook to user privacy violations. Facebook was fined \$5 billion for such privacy violations by the U.S. Federal Trade Commission in 2019 and \$1.3 billion in 2023 for violating data privacy rules in the European Union (EU)³.

Over the last year digital advertising has continued to be closely examined. There is growing global consensus among civil society experts, academics, and policymakers that targeted advertising can lead to the erosion of human rights. Legislation in Europe⁴ and the United States⁵ is poised to severely restrict or even ban targeted ads.

The most transformative legislation to date has come into effect in the EU. The Digital Services Act (DSA) imposes new obligations on companies operating in the EU, including banning or limiting certain user-targeting practices and sharing some internal data with regulators and associated researchers. Currently, this transparency and accountability stops at the borders of the EU. However, we know this to be a global problem. Given that, under the DSA, Meta has already set up data collection and reporting infrastructure to provide detailed reporting⁶ for EU regulators, it should be even easier for the company to conduct a global HRIA on these practices. This would allow the company to assess the feasibility of applying the strong provisions it adheres to in the EU on a wider scale.

Facebook's business model relies on a single source of revenue – advertising. Targeted advertising, given concerns around the fairness, accountability, non-discrimination, and transparency of the underlying algorithmic system, has been heavily scrutinized for its adverse impacts on human rights, and could face significant regulation beyond existing laws. This is a material risk to investors. A robust HRIA will enable the company to better identify, address, mitigate and prevent such adverse human rights impacts that expose the company to reputational, legal, business and financial risks.

1. <https://www.statista.com/statistics/268604/annual-revenue-of-facebook/>
2. <https://www.nytimes.com/2019/03/28/us/politics/facebook-housing-discrimination.html>
3. <https://www.nytimes.com/2023/05/22/business/meta-facebook-eu-privacy-fine.html>
4. <https://www.brookings.edu/techstream/what-the-european-dsa-and-dma-proposals-mean-for-online-platforms/>
5. <https://mashable.com/article/filter-bubble-transparency-act-threatens-facebook-news-feed>
6. <https://transparency.fb.com/sr/dsa-transparency-report-oct2023-facebook/>;
<https://transparency.fb.com/sr/dsa-transparency-report-oct2023-instagram/>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Tech Sector

Lack of Investment in Content Moderation in the Global Majority

Meta (Facebook Inc.)

RESOLVED: Shareholders request that Meta Platforms Inc. ("Meta") report to shareholders on the effectiveness of measures it is taking to prevent and mitigate human rights risks in its five largest non-US markets (based on number of users) relating to the proliferation of hate speech, disinformation, and incitement to violence enabled by its Instagram and Facebook platforms. The report should be issued no later than June 1, 2025, prepared at reasonable cost, omitting proprietary and confidential information (including information specifically relevant to litigation or legal enforcement action).

WHEREAS: The dissemination of hatred that incites discrimination, hostility or violence violates international human rights standards¹. Where content moderation systems have failed to effectively detect divisive content in non-English languages, there has been an associated increase in hate speech², disinformation³, and incitement to violence. Meta's stakeholders and the public have repeatedly raised significant concerns regarding what appears to be an obvious lack of investment in content moderation resources and expertise in Meta's global majority markets. This issue, repeatedly flagged by reports from international organizations⁴, its own Oversight Board⁵ and CSOs⁶, is critical in Meta's non-English speaking countries. This apparent lack of adequate resources and investment in content moderation is increasingly critical with the 2024 super election year and an estimated 2.6 billion people⁷ taking to the polls globally. Media reports suggest Meta is putting in place advertising related mitigations⁸ relating to the US elections. However, Meta has not published any measures to address such issues in non-Western, non-English speaking markets, that given the current inadequacy of effective content moderation are more vulnerable to the proliferation of hate speech, disinformation, and incitement to violence on their platforms.

We commend Meta's first transparency reports on Instagram and Facebook required under the EU Digital Services Act, providing detailed information on numbers of content moderators in local languages and overall users per EU country. Given Meta now appears to have the required data collection and reporting infrastructure to provide such detailed reporting on individual countries, the company should expand these transparency measures to key markets like India and Brazil⁹ on a disaggregated basis to demonstrate the actual investment made to build multilingual capacity in content moderation. By doing so, Meta can address the persistent human rights risks which can and have had a negative impact on brand value and, indirectly, on its advertising revenue, as well as on diversified investment portfolios as viewed through a universal ownership lens.

Proponent suggests the report include data on the number of content moderators fluent in local languages in Instagram and Facebook's five largest non-US markets based on number of users and an assessment by external, independent, and qualified experts of the effectiveness of Meta's measures taken to meaningfully manage hateful content, disinformation, and incitement to violence on those platforms.

1. <https://www.un.org/en/hate-speech/united-nations-and-hate-speech/international-human-rights-law>
2. <https://www.bbc.com/news/world-africa-67275219>
3. <https://digital-strategy.ec.europa.eu/en/news/commission-sends-request-information-meta-under-digital-services-act>
4. https://www.ohchr.org/sites/default/files/Documents/Issues/Opinion/Legislation/Case_2021_009-FB-UA.pdf
5. <https://www.theguardian.com/technology/2022/dec/06/meta-protecting-business-partners>
6. <https://www.amnesty.org/en/latest/news/2023/10/meta-failure-contributed-to-abuses-against-tigray-ethiopia/>
7. <https://www.unesco.org/en/articles/ahead-super-election-year-unesco-appeals-governments-around-world-protect-journalists-rights>
8. <https://www.reuters.com/technology/meta-bar-political-advertisers-using-generative-ai-ads-tools-2023-11-06/>
9. <https://www.statista.com/statistics/578364/countries-with-most-instagram-users/> & <https://www.digitalmarketingcommunity.com/indicators/instagram-active-users-penetrations-2018/>

Proxy Resolutions: Human Rights and Worker Rights

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Tech Sector

Customer Due Diligence

Amazon.com, Inc

WHEREAS: Amazon Web Services (AWS) serves multiple governmental customers with a history of human rights abuses. This raises the risk of product misuse by AWS customers with poor human rights records, as Amazon's technologies may enable mass surveillance globally, as well as facilitate the targeting of human rights defenders, journalists, and political dissidents.

Since the universal endorsement of the United Nations Guiding Principles for Business and Human Rights in 2011,¹ conducting human rights due diligence (HRDD) has become the de-facto standard in the tech sector.² Conducting HRDD, which includes customer risk assessments, mitigates clients' risks and human rights impacts and informs business decision-making by helping to identify the likelihood of technology misuse to facilitate governmental human or civil rights violations.³ Furthermore, the Atlantic Council has recommended the US create know-your-customer policies with surveillance companies.⁴

Inadequate customer due diligence presents material privacy and data security risks, as well as legal, regulatory, and reputational risks, which are particularly pertinent when considering the sale and use of sensitive and emerging technologies. Amazon's product portfolio contains several products with potentially grave misuse capabilities. Despite Amazon's indefinite moratorium of its Rekognition face comparison feature, it has not clarified how Rekognition is still used by police outside of "criminal investigations." Additionally, Amazon's Ring continues to infringe on citizens' privacy, despite an audit and Ring's resulting changes.⁵ Its vague standards regarding information sharing with law enforcement, absent consent, led to sharing of videos with law enforcement at least 11 times in 2022. Ring continues to expand its thousands of police partnerships.⁶

At the same time, Amazon's government-affiliated customers with a history of rights-violating behavior pose risks to the company, including:

- AWS will host the Department of Homeland Security's biometric database, which will reportedly be used to "assemble target lists for ICE raids, expand the tech border wall, and to facilitate surveillance, arrests, immigrant detention and deportation."⁷
- The Israeli government's "Project Nimbus," protested by Amazon employees,⁸ uses AWS to support the apartheid system under which Palestinians are surveilled, unlawfully detained, and tortured.⁹ Israel plans to use AWS as it expands illegal settlements and enforces segregation. The UN has clearly indicated war crimes may have been committed by Amazon's major customer, the Israel Defense Forces, since October 7, 2023.¹⁰

Amazon's existing policies appear insufficient in preventing customer misuse and establishing effective oversight, yet Amazon continues releasing surveillance products. Moreover, the company's disclosures make no mention of customer due diligence, nor is there any relevant information about the process on its website.

1. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
2. https://www.humanrights.dk/sites/humanrights.dk/files/media/document/Phase%204_%20Impact%20prevention%20mitigation%20and%20remediation_ENG_accessible.pdf
3. https://www.humanrights.dk/sites/humanrights.dk/files/media/document/Phase%204_%20Impact%20prevention%20mitigation%20and%20remediation_ENG_accessible.pdf ; https://www.eff.org/deeplinks/2018/07/should-your-company-help-ice-know-your-customer-standards_evaluating-domestic
4. <https://www.atlanticcouncil.org/wp-content/uploads/2021/11/Surveillance-Technology-at-the-Fair.pdf>
5. https://s2.q4cdn.com/299287126/files/doc_financials/2022/ar/Amazon-2022-Proxy-Statement.pdf
6. https://www.markey.senate.gov/imo/media/dodamazon_response_to_senator_markey-july_13_2022.pdf
7. <https://www.immigrantdefenseproject.org/wp-content/uploads/HART-Attack.pdf>
8. https://www.forbes.com/sites/richardnievea/2022/09/09/google-and-amazon-protest-project-nimbus-ai_-contract-israel/?sh=68609827d162
9. <https://www.hrw.org/news/2021/11/24/mass-surveillance-fuels-oppression-uyghurs-and-palestinians> ; <https://www.amnesty.org/en/documents/mde15/5141/2022/en/> ; https://www.gov.il/en/departments/news/press_01082023_b
10. https://www.ohchr.org/en/press-releases/2023/10/commission-inquiry-collecting-evidence-war-crimes_-committed-a11-sides-israel

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Tech Sector

Human Rights Impact Assessment

Thermo Fisher Scientific Inc.

Shareholders are concerned that Thermo Fisher Scientific (“the Company”) has signed sales agreements with police forces in occupied Tibet to supply Human Identification (HID) products. Two reports have been published outlining how authorities across Tibet have collected DNA from as many as 1.2 million Tibetans - including children as young as 5 years old without consent from their parents.¹

Tibet is a repressive policing environment, where ‘criminal activity’ includes criticizing the government, owning a picture of the Dalai Lama or teaching the Tibetan language to children. Engaging in these activities routinely results in detention and torture of Tibetans by the police.

The police in Tibet are accountable only to the Chinese Communist Party, with no free media, civil society or international observers to place checks on their conduct. As such, it appears impossible that Thermo Fisher can guarantee how the police will use its equipment once it reaches Tibet.

Since October 2022 representatives of impacted communities have written to the Company five times to raise concerns of the use of the Company’s HID products by law enforcement in Tibet. Shareholders also raised the issue at the 2023 AGM. The company has responded, but not engaged with the key issues that police in occupied Tibet cannot be trusted to only use this DNA equipment for standard criminal investigations, and that they are engaged in an ethnically targeted program of DNA collection. Despite repeated requests, the Company has to date refused to meet with stakeholders.

There is evidence of state-run DNA harvesting across China², and the Company recognized the possibility of its products being used in human rights violations, which prompted it, “consistent with its values, ethics code, and policies,” to cease “any new sales of HID products to Xinjiang Public Security Bureaus (PSBs) in March of 2019.”

RESOLVED, Shareholders request the Board of Directors to produce annually a Human Rights Impact Assessment regarding the sale (directly and via third parties) of the Company’s HID Products to law enforcement agencies. Reports to provide clear explanations of evidence examined and decisions made regarding permitting sales to law enforcement in regions where the use of such products could reasonably be expected to violate human rights. Such a report may exclude proprietary or legally privileged information.

SUPPORTING STATEMENT: Proponents suggest that in such an Impact Assessment the company includes, or explains why it cannot disclose:

A clear assessment of the nature of the policing environmentDisproportionality in policing experienced by different demographics of the populationProportion of children subjected to DNA testing Examination of any reports of police-led mass DNA collection, in particular those targeted based on race, ethnicity or other characteristics for regions where the company sells, or proposes to sell, HID products to law enforcement agencies.

1. Emile Dirks, 'Mass DNA Collection in the Tibet Autonomous Region from 2016–2022, Citizen Lab, 13 September 2022;
2. China's sitting on a goldmine of genetic data – and it doesn't want to share CNN, 12 August 2023

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Human Rights Impact Assessment

RTX Corporation (Raytheon)

RESOLVED: Shareholders request the Board of Directors publish a report, at reasonable cost and omitting proprietary information, with the results of a Human Rights Impact Assessment (HRIA), examining Raytheon's actual and potential human rights impacts associated with high-risk products and services, including those in conflict-affected areas and/or those violating international law.

WHEREAS: Raytheon Technologies Corporation (Raytheon) is exposed to significant actual and potential adverse human rights risks. The use of its defense products and services may violate the rights to life, liberty, personal security, and privacy. The UN Guiding Principles on Business and Human Rights (UNGPs) constitute the global authoritative framework outlining human rights responsibilities of states and businesses, and expectations are heightened for companies with business activities in conflict-affected and high-risk areas.¹ Companies' human rights responsibilities are independent of the State's export licensing determinations, as reiterated in a recent United Nations note.²

Raytheon's Human Rights Policy is not aligned with the UNGPs, and investors lack evidence it is effectively implemented across business functions. An Amnesty International report found Raytheon is not meeting its human rights responsibilities despite severe, irremediable impacts.³ For example, Raytheon's products have been directly linked to human rights violations in Yemen. The Company was most recently connected to 80 civilian deaths in a 2022 airstrike by the Saudi-led coalition, potentially amounting to war crimes.⁴ Raytheon also sells weapons to Israel,⁵ which are used to maintain the system of apartheid.⁶ Furthermore, Raytheon has annual contracts worth \$542 million in nuclear weapons, which are illegal under international law.⁷ The Company may be required to disclose more about its nuclear weapons involvement to avoid prosecution or legal proceedings.

Despite Raytheon's stated compliance to US export licensing, a recent United States Government Accountability Office report highlights the US' failure to monitor whether its weapons have been used by the Saudi-led coalition to attack civilians.⁸ This further emphasizes why Raytheon must conduct its own independent, robust human rights due diligence. The Company faces increasing material legal risk, as a group of Yemeni nationals sued Raytheon and peer defense contractors in March 2023 for their complicit role in war crimes in Yemen.⁹

Raytheon is the subject of multiple divestment campaigns related to its poor human rights track record.¹⁰ Raytheon is additionally exposed to increasing regulatory risk due to President Biden's new Conventional Arms Transfer policy, which establishes new restrictions for arms sales that would "more likely than not" be used to commit serious human rights or international humanitarian law violations.¹¹

New guidance from the American Bar Association explains how human rights risk assessments can reduce material risks, including divestment, export bans, and civil liability.¹² An HRIA can mitigate Raytheon's continuity risks as increased federal oversight on customer end-use may limit or cancel existing or future contracts.

1. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

2. <https://www.ohchr.org/sites/default/files/2022-08/BHR-Arms-sector-info-note.pdf>

3. <https://www.amnesty.org/en/documents/act30/0893/2019/en/>

4. <https://www.amnesty.org/en/latest/news/2022/01/yemen-us-made-weapon-used-in-air-strike-that-killedscores-in-escalation-of-saudi-led-coalition-attacks/>; <https://www.hrw.org/news/2022/04/18/yemen-latestround-saudi-uae-led-attacks-targets-civilians>

5. <https://masspeaceaction.org/why-blame-raytheon/>

6. <https://www.amnesty.org/en/documents/mde15/5141/2022/en/>; <https://www.btselem.org/apartheid>

7. https://assets.nationbuilder.com/ican/pages/3785/attachments/original/1686495965/ICAN_Spending_Report_2023_sm.pdf?1686495965; https://treaties.un.org/doc/Treaties/2017/07/20170707%2003-42%20PM/Ch_XXVI_9.pdf

8. <https://www.gao.gov/assets/gao-22-105988.pdf>

9. <https://static1.squarespace.com/static/608276df0e35bd790e38eff3/t/6400d4b8127ec80e81e1837d/1677776057913/STAMPED+Complaint+%2821%29.pdf>

10. <https://masspeaceaction.org/our-issues/raytheon-antiwar/>; <https://www.dontbankonthebomb.com/2019-hall-of-fame/>

11. <https://www.whitehouse.gov/briefing-room/presidential-actions/2023/02/23/memorandum-on-unitedstates-conventional-arms-transfer-policy/>

12. https://www.americanbar.org/content/dam/aba/administrative/human_rights/justice-defenders/chr-duediligence-guidance-2022.pdf

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Assess Effectiveness of Human Rights Policy Implementation

PNC Financial Services Group, Inc.

RESOLVED: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, explaining how PNC's risk management systems ensure effective implementation of its Human Rights Statement in existing and proposed general corporate and project financing. The report may include:

- A description of human rights due diligence processes in place to embed respect for human rights into operations and to provide access to remedy for human rights impacts connected to financing relationships; and
- Indicators used to assess effectiveness.

WHEREAS: Under the UN Guiding Principles on Business and Human Rights (UNGPs), companies are expected to respect human rights throughout their operations by conducting human rights due diligence to assess, identify, prevent, mitigate, and remediate adverse human rights impacts.¹ PNC is one of the largest banks in the US, with over \$556 billion in assets.²

PNC has a practice of financing clients connected to systemic human rights violations, despite its human rights commitments. The Company is exposed to legal and reputational risk if it fails to effectively implement its policies across business activities. For example, PNC was a key financier of Energy Transfer in 2017, which built the widely opposed Dakota Access Pipeline,³ a project which incurred \$7.5 billion in material social costs.⁴ PNC additionally increased its fossil fuel financing by 77% between 2021 and 2022, investments which are frequently linked to human rights abuses, particularly in Indigenous, Black, and brown communities.⁵ For instance, PNC provided credit facilities to enable the now defunct Atlantic Coast Pipeline, which was abandoned in part due to civil rights concerns.⁶

Additionally, PNC lends over \$2.82 billion to companies producing controversial weapons, including nuclear weapons, white phosphorus, depleted uranium weapons, and incendiary weapons.⁷ These are illegal or have prohibited use under international law due to their potentially indiscriminate and disproportionate impacts on civilians.⁸ For example, nuclear weapons are designed to cause massive death and destruction, impacting long-term human health, the environment, and socioeconomic development.⁹ Major investment institutions are divesting from producers of controversial weapons¹⁰, including over 100 institutions with policies against investments in nuclear weapons.¹¹

Although PNC's Human Rights Statement commits to upholding the UN Universal Declaration of Human Rights, it is not aligned with the UNGPs. PNC's Environmental and Social Risk Management and Rapid Risk Screen tools lag behind peers in identifying the bank's most salient human rights risks. Bank of America and Citigroup disclose lists of high-risk social issues and disclose criteria for elevated human rights due diligence.¹² The report we request will enable investors to assess the effectiveness of PNC's screening tools and questionnaires to mitigate human rights impacts throughout its lending portfolio.

1. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
2. <https://www.forbes.com/advisor/banking/largest-banks-in-the-us/>
3. https://www.banktrack.org/download/does_your_money_fund_oil_pipelines/mazaskatalksdoesyourmoneyfundoilpipelines3f.pdf
4. https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf
5. https://www.ran.org/wp-content/uploads/2022/03/BOCC_2022_vSPREAD-1.pdf ; <https://ajph.aphapublications.org/doi/10.2105/AJPH.2023.307403>
6. <https://insideclimateneWS.org/news/18052018/atlantic-coast-pipeline-natural-gas-civil-rights-environmental-justice-epa/> ; <https://www.nrdc.org/bio/gillian-giannetti/three-lessons-learned-axed-atlantic-coast-pipeline>
7. <https://www.washingtonpost.com/news/checkpoint/wp/2016/09/19/saudi-arabia-appears-to-be-using-u-s-supplied-white-phosphorus-in-its-war-in-yemen/> ; <https://www.nytimes.com/2020/02/07/us/trump-land-mines-cluster-munitions.html> ; <https://www.dontbankonthebomb.com/risky-returns/>
8. <https://www.un.org/disarmament/wmd/nuclear/tpnw/> ; <https://www.icrc.org/en/doc/assets/files/other/customary-international-humanitarian-law-i-icrc-eng.pdf>
9. <https://www.icrc.org/en/document/humanitarian-impacts-and-risks-use-nuclear-weapons>
10. <https://www.ai-cio.com/news/norways-klp-divests-from-producers-of-controversial-weapons/>
11. <https://www.dontbankonthebomb.com/policy-analysis-report-moving-away-from-mass-destruction/>
12. https://about.bankofamerica.com/content/dam/about/pdfs/MISC-02-23-0371_0_f_ANA.pdf ; <https://www.citigroup.com/rcs/citigpa/akpublic/storage/public/Environmental-and-Social-Policy-Framework.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Human Rights and Material Risks Related to the Russian Invasion of Ukraine

Texas Instruments Inc.

WHEREAS: The Royal United Services Institute (RUSI) reported that TI was one of two original manufacturers of approximately 25% of the dual-use items found in 27 Russian weapons systems used in the invasion of Ukraine, including missiles, precision munitions, and electronic warfare. RUSI noted that “US exporters of these products [had] a due-diligence obligation to make sure they were not destined for a prohibited end user, or to be used in prohibited end use.”¹

Trade data indicates TI’s monthly average of products imported into Russia has increased by 142% since the invasion began,² often through intermediaries in China.³

The United States has imposed numerous sanctions and trade controls against Russia and state-owned businesses⁴ focused on “choking off Russian imports of key technologies,” including by establishing a Disruptive Technologies Task Force⁵ and sanctioning 130 entities in China, Turkey, and United Arab Emirates known to provide dual-use technologies to the Russian military.⁶

Multilateral organizations, states, and accounting bodies are passing legislation on mandatory human rights due diligence (HRDD)⁷ and sustainable investment reporting in the EU⁸ and calling on companies to report on human rights and conflict as material risks.⁹ These advancing legal frameworks and normative standards could expose companies to legal liability for failing to address and report on Russia/Ukraine risks. Similarly, the UN Guiding Principles on Business and Human Rights (UNGPs) call on companies to conduct heightened HRDD in conflict-affected areas due to the acute nature of risks in these contexts.

The misuse of TI’s products during Russia’s ongoing war against Ukraine may result in heightened human rights and financially material risks through potential exposure to sanctioned parties in the company’s value chain, potential violations of emerging EU regulations and the UNGPs, and reputational damage associated with proximity to the commission of Russian war crimes.¹⁰

TI lags behind industry peers’ measures to mitigate these risks, including Qualcomm’s Human Rights Working Group, human rights impact assessments, and identification of “product misuse” as a salient risk¹¹ and Intel’s human rights steering committee and customer screening based on human rights risks.¹²

SUPPORTING STATEMENT: Shareholders seek information, at board and management discretion, through a report that describes TI’s:

- Due diligence process to prevent access by prohibited users or for prohibited uses in conflict-affected and high-risk areas (CAHRA), including Russia;
- Board’s role in overseeing the management of risks in CAHRA;
- Assessment of material risks to shareholder value posed by product misuse; and
- Assessment of additional policies, practices, and governance measures needed to mitigate identified risks.

1. https://static.rusi.org/RUSI-Silicon-Lifeline-final-updated-web_1.pdf

2. <https://www.exportgenius.in>

3. <https://carnegieendowment.org/2023/05/17/hong-kong-s-technology-lifeline-to-russia-pub-89775>

4. <https://www.state.gov/holding-russia-and-belarus-to-account/>

5. <https://subscriber.politicopro.com/article/2023/05/new-biden-task-force-unveils-crackdown-on-theft-of-restricted-tech-00097168>

6. <https://home.treasury.gov/news/press-releases/jy1871>

7. https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en

8. https://finance.ec.europa.eu/sustainable-finance/disclosures/sustainability-related-disclosure-financial-services-sector_en

9. http://www.entegreraportamatr.org/tr//mailing/25122020/images/Reporting-on-enterprise-value_climate-prototype_Dec20.pdf

10. <https://www.pbs.org/newshour/show/parties-made-by-u-s-companies-used-to-build-russian-cruise-missiles>

11. <https://www.qualcomm.com/company/corporate-responsibility/acting-responsibly/human-rights#:~:text=We%20also%20conduct%20regular%20materiality,~and%20pay%2C%20and%20product%20misuse>

12. <https://www.intel.com/content/www/us/en/policy/policy-human-rights.html>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Third Party Human Rights Due Diligence Report

Analog Devices, Inc.

Shareholders seek a report that describes ADI's:

- Regulatory compliance process to ensure dual-use items are not used by prohibited users or for prohibited uses during Russia's invasion of Ukraine;
- Board's role in overseeing the management of risks associated with Russia's invasion;
- Determination if a heightened Human Rights Due Diligence (hHRDD) process is needed to address risks associated with the invasion and across CAHRA; and
- Assessment of material risks to shareholder value posed by misuse of ADI's products.

WHEREAS: According to Royal United Services Institute, ADI manufactured 50 components found in 27 Russian weapons systems used in the invasion, including cruise missiles, reconnaissance drones, and other targeting systems.¹ The KSE Institute reports that in the last five months of 2023, ADI has been the second top producer of critical components for Russian drones and Iranian "kamikaze" drones;²

Thirteen of these components are classified as "dual-use," creating a "due-diligence obligation to make sure they were not destined for a prohibited end-user, or to be used in prohibited end use."³ However, reports implicate ADI-supported missiles and drones in attacks against civilians and infrastructure⁴ in violation of international humanitarian law;⁵

Between April 1, 2022 and June 30, 2023, third-party intermediaries in China and other Asian states exported 72,312 shipments worth \$299.6 million of ADI's products to Russian companies sanctioned at the time of sale;⁶

Since CAHRA are characterized by widespread human rights abuses and violations of national or international law, the UN Guiding Principles on Business and Human Rights (UNGPs) call for hHRDD;⁷

CAHRA also include more financially material risks. The International Finance Corporation states that CAHRA "face business risks that are much greater than those in other emerging markets," including destruction of physical capital, deaths and injuries, weak state control, and supply-chain disruptions.⁸ A survey of 1,200 CEOs indicated 97 percent of respondents altered investment plans due to rising global tensions and over one-third relocated operations based on conflict-related risks.⁹ The US and EU imposed an unprecedented array of sanctions and export controls¹⁰ against Russia and state-owned businesses in response to the invasion;¹¹

ADI trails industry peers' measures to mitigate these risks, including Qualcomm's Human Rights Working Group, human rights impact assessments, and identification of "product misuse" as a salient risk and Intel's human rights steering committee and customer screening based on human rights risks; and

The use of ADI's products in CAHRA may result in human rights and material risks through violations of regulatory measures, the UNGPs, and ADI's human rights policies, and complicity in Russia's violations of international law.

1. https://static.rusi.org/RUSI-Silicon-Lifeline-final-updated-web_1.pdf
2. <https://kse.ua/wp-content/uploads/2023/08/230823-Drones-for-KSE-site.pdf>
3. https://static.rusi.org/RUSI-Silicon-Lifeline-final-updated-web_1.pdf
4. <https://www.business-humanrights.org/en/latest-news/ukraine-missiles-used-in-attack-on-uman-that-killed-23-civilians-contain-western-made-components/>
5. <https://www.washingtonpost.com/world/2022/12/02/drones-russia-ukraine-air-war/>
6. <https://www.exportgenius.in/>
7. <https://www.undp.org/publications/heightened-human-rights-due-diligence-business-conflict-affected-contexts-guide>
8. <https://www.ifc.org/wps/wcm/connect/07cb32dd-d775-4577-9d5f-d254cc52b61a/201902-IFC-FCS-Study.pdf?MOD=AJPERES&CVID=mzeJewf>
9. https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/ceo/ey-ceo-outlook-pulse-survey-january-2023-global-report.pdf
10. <https://home.treasury.gov/news/press-releases/jy0608>
11. <https://www.theguardian.com/world/2022/sep/23/russia-has-committed-war-crimes-in-ukraine-say-un-investigators>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Human Rights Risks in Conflict-Affected and High-Risk Area Policies

J.P. Morgan Chase & Co.

RESOLVED: Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, on JPMorgan Chase's (JPMC) due diligence process to determine if and how its lending, underwriting, or other services in conflict-affected and high-risk areas (CAHRA) expose it to human rights and other material risks.

Shareholders seek a report that, at board and management discretion:

- Discusses how JPMC assesses, mitigates, and reports human rights and material risks in CAHRA; and
- Evaluates whether additional policies, practices, and governance measures are needed to mitigate risks.

WHEREAS: The World Bank estimates that by 2030 nearly two-thirds of the world's poor will live in settings characterized by fragility, conflict, and violence,¹ and thus may have heightened vulnerability to widespread human rights abuses and violations of national or international law. Given these endemic risks, the United Nations Guiding Principles on Business and Human Rights and the Equator Principles call on companies to conduct heightened human rights due diligence² and analyze potential violations of international humanitarian law during human rights assessments.³

CAHRA also include a higher prevalence of material risks. The International Finance Corporation reports that companies in conflict-affected settings "face business risks that are much greater than those in other emerging markets," including destruction of physical capital, deaths and injuries, weak state control, and supply-chain disruptions.⁴ A recent survey of executives indicated 97 percent of respondents altered investment plans, and over one-third relocated operations, due to geopolitical volatility.⁵ Multilateral organizations, states, and accounting bodies are passing legislation on mandatory due diligence⁶ and sustainable investment reporting in the European Union,⁷ and calling for companies to report on human rights and conflict as material risks.⁸ In a 2022 report, "conflict risk" was the second leading environmental, social, and governance criterion among institutional investors representing over \$6 trillion assets under management.⁹

As the world's largest bank by market capitalization, JPMC has operations and relationships in numerous CAHRA where it has counterparties, partners, or clients that are implicated in corruption, armed conflict, violations of international humanitarian and human rights law, and environmental degradation. Examples include JPMC providing lending and underwriting services for state agencies and affiliated companies in China,¹⁰ Guinea,¹¹ Kazakhstan,¹² Mozambique,¹³ Myanmar,¹⁴ Russia,¹⁵ Saudi Arabia,¹⁶ and Venezuela¹⁷ – JPMC's Human Rights Policy¹⁸ and Environmental and Social Policy Framework¹⁹ notwithstanding. JPMC trails peers that adopted measures to mitigate these risks, including ABN AMRO Bank N.V.,²⁰ Citi Group,²¹ and ANZ.²²

1. <https://www.worldbank.org/en/topic/fragilityconflictviolence/overview>
2. <https://www.undp.org/publications/heightened-human-rights-due-diligence-business-conflict-affected-contexts-guide>
3. https://equator-principles.com/app/uploads/Human_Rights_Assessment_Sept2020.pdf
4. <https://www.ifc.org/content/dam/ifc/doc/mgrt/201902-ifc-fcs-study.pdf>
5. https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/ceo/ey-ceo-outlook-pulse-survey-january-2023-global-report.pdf
6. https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en
7. https://finance.ec.europa.eu/sustainable-finance/disclosures/sustainability-related-disclosure-financial-services-sector_en
8. http://www.entegerraporlamat.org/tr/mailing/25122020/images/Reporting-on-enterprise-value_climate-prototype_Dec20.pdf
9. <https://trends2022highlights.com/>
10. <https://www.bankingonclimatechaos.org/>
11. https://www.banktrack.org/project/lefa_gold_mine
12. <https://www.business-humanrights.org/en/from-us/extractives-in-eastern-europe-central-asia/investor-summary/>
13. https://www.banktrack.org/project/mozambique_lng
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15. <https://putin100.org/index.html#ranking>
16. <https://www.bankingonclimatechaos.org/>
17. <https://www.icij.org/investigations/fincen-files/global-banks-defy-u-s-crackdowns-by-serving-oligarchs-criminals-and-terrorists/>
18. <https://www.jpmorganchase.com/about/our-business/human-rights>
19. https://www.banktrack.org/download/environmental_and_social_policy_framework_10/211012_environmentalandsocialpolicyframeworkdatedoct82021.pdf
20. https://assets.ctfassets.net/1u811bvgvthc/DJ2luR6Luk4gy0vpHqXZp/bbae98ca816b61fe381cd8150b9d740/ABN_AMRO_-_Human_Rights_Report_2022.pdf
21. <https://www.citigroup.com/ras/citiga/storage/public/Global-ESG-Report-2022.pdf>
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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Human Rights Risks in Conflict-Affected and High-Risk Areas Policies

Marriott International, Inc.

RESOLVED: Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing the effectiveness of the company's implementation of its Human Rights Statement (HRS) related to operations in conflict-affected and high-risk areas (CAHRA).¹

SUPPORTING STATEMENT: Shareholders seek information, at board and management discretion, through a report that:

- Discusses how human rights and financially material risks in CAHRA are assessed, mitigated, and reported upon; and
- Assesses if additional policies, practices, and governance measures are needed to mitigate risks.

WHEREAS: The number and intensity of CAHRA are increasing, with the World Bank estimating that by 2030, two-thirds of the world's poor will live in settings characterized by fragility, conflict, and violence.² Recent examples include the Russian invasion of Ukraine, the war between Hamas and Israel, the coup in Myanmar, and the crisis in the Xinjiang Region, China.

CAHRA are characterized by widespread human rights abuses and violations of national or international law and by a higher prevalence of material risks – legal, operational, and financial – for companies and their shareholders. The International Finance Corporation notes that companies in these areas “face business risks that are much greater than those in other emerging markets,” including destruction of physical capital, deaths and injuries, weak state control, and supply chain disruptions.³ A recent survey of 1,200 CEOs indicated 97 percent of respondents altered investment plans due to geopolitical volatility and over one-third relocated operations based on conflict-related risks.⁴

Companies failing to conduct human rights due diligence (HRDD)⁵ and report on their risk mitigation efforts are exposed to potential violations of evolving laws and normative standards. National legislation and accounting standards are increasingly requiring mandatory HRDD⁶ and calling on companies to report on human rights as material risks.^{7, 8}

Marriott's operations include over 8,000 properties in 138 countries, including numerous CAHRA, exposing the company and shareholders to significant human rights and material risks. Examples include: Marriott's relationship to Bangladeshi security forces and threats to local communities' housing, cultural heritage sites, and safety in Bangladesh⁹; the Ritz-Carlton in Riyadh being used by the Saudi government to detain, torture, and extort over 400 local business leaders¹⁰; and the joint venture by Marriott and Alibaba Group to deploy facial recognition technology in Chinese hotels despite Alibaba's track record of working with the state to conduct surveillance of ethnic minorities.^{11, 12} Marriott hotels in Qatar were also connected to numerous labor rights abuses.¹³

Marriott's Modern Slavery Statement notes, “Marriott carries out due diligence and compliance checks … before entering into relevant agreements”, however, there is no further information on if and how Marriott conducts enhanced HRDD and considers specific human rights and material risks associated with CAHRA.¹⁴ Further information on how Marriott is conducting HRDD in CAHRA will give investors meaningful insight into their governance of these material risks.

1. <http://dx.doi.org/10.1787/9789264185050-en>
2. <https://www.worldbank.org/en/topic/fragilityconflictviolence/overview>
3. <https://www.ifc.org/en/what-we-do/sector-expertise/fragile-and-conflict-affected-situations>
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5. <https://www.undp.org/publications/heightened-human-rights-due-diligence-business-conflict-affected-contexts-guide>
6. https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en
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8. http://www.entegraroplamatr.org/tr/mailing/25122020/images/Reporting-on-enterprise-value_climate-prototype_Dec20.pdf
9. <https://www.business-humanrights.org/en/latest-news/bangladesh-statement-issued-against-illegal-construction-of-marriott-resort-without-prior-informed-consent-from-mro-community/>
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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Assess Effectiveness of Human Rights Policy Implementation

TripAdvisor, Inc.

RESOLVED: Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing the effectiveness of Tripadvisor Inc.'s (Tripadvisor) implementation of its Global Human Rights Policy (GHRP) concerning operations in conflict-affected and high-risk areas (CAHRA).¹

SUPPORTING STATEMENT: Shareholders seek information, at board and management discretion, through a report that:

- Discusses how human rights and material risks in CAHRA are assessed, mitigated, and reported upon; and
- Assesses if additional policies, practices, and governance measures are needed to mitigate risks.

WHEREAS: In response to previous shareholder concerns, Tripadvisor developed and released a GHRP in 2021. The GHRP was informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs), references the need to protect the human rights of employees and communities, and commits the company to being the best source of safety information for travelers.² Given the potential exposure to human rights violations in CAHRA as highlighted below, shareholders need disclosure on how Tripadvisor's policies address these risks, which is currently lacking.

The number and intensity of CAHRA are increasing, with the World Bank estimating that by 2030 two-thirds of the world's poor will live in settings characterized by fragility, conflict, and violence.³ Recent examples include Russia's invasion of Ukraine, the war between Hamas and Israel, the conflict in Nagorno-Karabakh, the coup in Myanmar, and the crisis in the Xinjiang Region, China. CAHRA are characterized by widespread human rights abuses and violations of national or international law, leading the UNGPs to call on businesses to conduct heightened human rights due diligence (HRDD).⁴

Multilateral organizations, states, and accounting bodies are passing legislation on mandatory HRDD,⁵ sustainable investment reporting in the EU,⁶ and calling on companies to report on human rights as material risks. A recent survey of 1,200 CEOs indicated 97 percent of respondents altered investment plans due to geopolitical volatility and over one-third relocated operations based on conflict-related risks.⁷ Companies failing to address and report on these risks are exposed to potential violations of these evolving laws and normative standards.⁸

Tripadvisor operates in numerous CAHRA and is potentially connected to human rights harms, such as contributing to government efforts to whitewash human rights abuses in China's Xinjiang Region,⁹ Syria,¹⁰ and Saudi Arabia,¹¹ promoting properties linked to Myanmar's military junta,^{12, 13} and financially contributing to accommodations and experiences in Israeli settlements in occupied Palestinian territory.¹⁴ Further, Tripadvisor does not include conflict-related safety warnings to travelers in a number of CAHRA, including Democratic Republic of Congo,¹⁵ Lebanon,¹⁶ Myanmar,¹⁷ Nagorno-Karabakh,¹⁸ Sudan,¹⁹ and Syria.²⁰

Given increasing human rights-related risks, corresponding regulatory measures requiring such risks be identified, mitigated, and reported on, and Tripadvisor's commitments in its own GHRP, further information on how Tripadvisor is conducting HRDD in CAHRA will give investors meaningful insight into their governance of these material risks.

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4. <https://www.undp.org/publications/heightened-human-rights-due-diligence-business-conflict-affected-contexts-guide>
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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

CAHRA: Conflict-Affected and High-Risk Areas

Assess Effectiveness of Human Rights Policy Implementation

Mondeléz International, Inc.

RESOLVED: Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing the effectiveness of the company's implementation of its Human Rights Policy (HRP) for operations in conflict-affected and high-risk areas (CAHRA),¹ including Russia/Ukraine.

WHEREAS: Mondeléz commits to using the UN Guiding Principles on Business and Human Rights (UNGPs) to prevent and mitigate human rights risks.² The UNGPs call on companies to conduct heightened human rights due diligence (HRDD) in CAHRA due to widespread human rights abuses and violations of national and international law.³ Multilateral organizations, EU states, and accounting bodies are passing legislation on mandatory HRDD⁴ and sustainable investment reporting⁵ while also calling on companies to report on material human rights risks.⁶

The International Finance Corporation reports that companies in CAHRA "face business risks that are much greater than those in other emerging markets," including destruction of assets, deaths and injuries, weak state control, and supply-chain disruptions.⁷ A recent survey of 1,200 CEOs indicated 97% of respondents altered investment strategies due to geopolitical volatility and over one-third relocated operations based on conflict risks.⁸

Mondeléz's operations in Russia and Ukraine expose the company to material human rights risks. The United States and EU have imposed an array of sanctions and export controls⁹ against Russia and its state-owned businesses in response to the Ukraine invasion and associated credible accusations of war crimes.¹⁰ The Russian government's "partial mobilization" order requires companies to facilitate the conscription of staff and provide support to the military upon request,¹¹ threatening to disrupt Mondeléz's operations and putting staff and assets at risk. Furthermore, Mondeléz's factory in Ukraine was damaged by a Russian military attack in March 2023.¹²

The Ukrainian National Agency on Corruption Prevention designated Mondeléz an "international sponsor of war."¹³ The company faces backlash from international customers,¹⁴ employees,¹⁵ and civil society.^{16,17}

Mondeléz lags industry peers in responding to the heightened risk of operating in Russia. While nearly 200 American companies have left Russia, Mondeléz continues operating with over 3,000 employees, 30,000 suppliers, and multiple factories,¹⁸ generating \$173 million in taxes to the Russian state since the invasion began.¹⁹ Between April 2022 and March 2023, Mondeléz increased Milka chocolate bar shipments to Russia by 131%, overall shipments by 56.8%, and saw a 303% increase in Russian profits in 2022.^{20,21}

Mondeléz's activities in Russia may result in brand damage, violations of the company's HRP and the UNGPs, and exposure to Russian sanctioned entities, warranting increased disclosure.

SUPPORTING STATEMENT: Shareholders seek information, at board and management discretion, through a report that:

- Analyzes the effectiveness of the HRP's assessment, mitigation, and reporting on human rights risks in CAHRA, including Russia and Ukraine.
- Assesses if additional policies, practices, and governance measures are needed to mitigate risks.

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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Assess Effectiveness of Human Rights Policy Implementation

Chevron Corp.

WHEREAS: Chevron operates in over 180 countries and is one of the highest greenhouse gas emitting companies in the world.¹ Although Chevron commits to respecting human rights, its operations have been connected to significant human rights abuses that expose shareholders to financial, compliance, and reputational risks. An independent 2021 report examining 70 lawsuits against Chevron found that 65% of the cases involved "documented claims of severe human rights abuses, including torture, forced labor/slavery, rape, murder, and even genocide."² Communities surrounding Chevron operations in Nigeria,³ Kazakhstan,⁴ Ecuador⁵, and the US⁶ assert Chevron has failed to remediate oil spills, violated environmental protection laws, and fueled local conflict.

Chevron's existing policies, processes, and disclosure fail to address whether and how the company is effectively addressing material risks associated with human rights abuses, environmental damages, and poor community relations connected to its business operations. Chevron scored 33/100 on the 2023 Corporate Human Rights Benchmark, notably receiving a score of 0 for monitoring and corrective actions. The benchmark noted "it is not clear how it monitors the implementation of its human rights policy commitments across its global operations."⁷

Chevron has been accused of corrupt practices, including intimidating and harassing human rights defenders through the use of strategic lawsuits against public participation (SLAPPs).⁸ A 2020 report reviewing 152 SLAPP cases from the fossil fuel industry found that Chevron was one of the most prolific users of the tactic.⁹ Chevron continues to deny responsibility for a \$9.5 billion judgment against the company for decades of contamination in Ecuador.¹⁰ Chevron's subsequent drawn-out legal and reputational attacks on Ecuadorian plaintiffs' attorney, Steven Donziger, exposes Chevron to significant reputational risk.¹¹ The UN Working Group on Arbitrary Detention determined that Dozinger's resulting detention amounted to arbitrary deprivation of liberty.¹²

Additionally, Chevron's emissions contribute to the climate crisis, which disproportionately impacts people of color and furthers systemic racism.¹³ Chevron's operations, discharges, and leaks disproportionately burden communities of color with pollution and human health risks.¹⁴ Chevron faces multiple lawsuits, including from Delaware,¹⁵ Oakland, CA¹⁶, Hoboken, NJ,¹⁷ and the District of Columbia,¹⁸ alleging damages from climate impacts that disproportionately affect marginalized communities. The quantity of penalties, court filings, and protests Chevron faces from fenceline communities raises questions about how its policies and systems are effectively implemented to prevent, mitigate and remedy human rights impacts.

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3. <https://www.nytimes.com/2021/07/25/world/africa/nigeria-fisherwomen-chevron.html>
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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

FPIC

Respect for Rights of Indigenous Peoples

J.P. Morgan Chase & Co.

Similar resolutions were submitted to Citigroup and Wells Fargo & Company.

WHEREAS: The UN Declaration on the Rights of Indigenous Peoples and International Labour Organization Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries are internationally-recognized standards for Indigenous Peoples' rights.¹ Violation of these rights presents risks for JPMorgan that can adversely affect shareholder value, including reputational damage, project disruptions, and civil and criminal liability.² JPMorgan has a history of financing projects and companies that violate Indigenous rights, including bankrolling the Dakota Access pipeline in 2016³ and providing \$1.8 billion to Enbridge between 2016 and 2020 to enable the widely opposed Enbridge Line 3 and Line 5 tar sands pipeline reroutes.⁴

Indigenous leaders from the Great Lakes tribes have called Enbridge's Line 5 pipeline reroute "an act of cultural genocide."⁵ A 2022 ruling found that Line 5 was operating illegally on Bad River Band territory since 2013.⁶ Michigan's twelve federally recognized Tribal Nations requested President Biden to decommission Line 5 in 2021,⁷ noting Enbridge's deceptive tactics, poor environmental track record, and risk of "catastrophic damage" to Indigenous rights.⁸ Companies like Enbridge, financed by JPMorgan, consistently fail to meet the international standard of free, prior, and informed consent (FPIC) with affected tribes.⁹

JPMorgan is additionally the subject of ongoing protests for its role as the largest financier of oil and gas operations in the Amazon rainforest that pose "an existential threat" to Indigenous Peoples.¹⁰ For example, JPMorgan finances Gran Tierra Energy, which has been connected to Indigenous Rights violations of the Inga and Pastos people in Columbia since 2012.¹¹ Despite making commitments to protect UNESCO sites,¹² JPMorgan finances PetroAmazonas, which operates in the Yasuni UNESCO Reserve despite clear Indigenous opposition.¹³ Ecuadorian courts ruled in 2019 that Waorani Peoples were not adequately consulted.¹⁴ In August 2023, a referendum vote opted to halt drilling in Yasuni Park, which the company estimates will cost \$1.2 billion in income.¹⁵

JPMorgan faces reputational risk if its climate commitments are discredited by its own financing activities.¹⁶ JPMorgan's human rights and risk management policies do not clearly define FPIC, nor include guidance on how JPMorgan addresses companies with track records of violating Indigenous rights. Though JPMorgan adheres to the Equator Principles to manage environmental and social risk, Indigenous experts have described them as "critically weak" and not aligned with international human rights standards.¹⁷ Effective policies that protect Indigenous rights are critical to managing material risk.

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2. https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf ; <https://amazonwatch.org/news/2022/0622-the-business-case-for-indigenous-rights>
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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

FPIC

Human Rights Risk Report

The Travelers Companies, Inc.

RESOLVED: Shareholders request that The Travelers Companies (“Travelers”) Board of Directors publish a report, describing how human rights risks and impacts are evaluated and incorporated in the underwriting process. The report should be prepared at reasonable cost and omit proprietary information.

SUPPORTING STATEMENT: The proponents recommend the report include

The extent to which Free, Prior and Informed Consent (FPIC), as articulated in the United Nations Declaration on the Rights of Indigenous Peoples, is considered or evaluated in the underwriting process; and Travelers’ stakeholder engagement process, such as participating stakeholders, key recommendations made, and actions taken to address such recommendations. Under the UN Guiding Principles on Business and Human Rights, companies are expected to conduct human rights due diligence to meet the corporate responsibility to respect human rights. The UN Declaration on the Rights of Indigenous Peoples recognizes the rights of Indigenous Peoples to self-determination, territories, and cultural practices, and establishes that entities must seek FPIC of Indigenous Peoples related to projects that may impact their rights.

Projects that may negatively impact Indigenous Peoples may face public opposition and increase reputational risk. There are at least two areas where Travelers may be exposed to environmental and social risk:

Arctic National Wildlife Refuge (“ANWR”): Travelers faces public scrutiny over the potential risk associated with the ANWR. The Gwich’in Steering Committee has written to Travelers asking for a commitment to not to insure projects in the ANWR, to protect its communities, culture, and way of life.¹ Seventeen insurers have committed not to insure oil and gas projects in the ANWR, noting potential negative impacts on Indigenous Peoples and biodiversity.²

Democratic Republic of Congo (DRC): Travelers has also been asked to make a public commitment to not provide any underwriting or reinsurance for oil exploration and extraction in the Democratic Republic of Congo (DRC). A DRC oil block auction lacks the FPIC of Congolese Indigenous peoples.³

The Principles for Sustainable Insurance, signed by 135 insurers representing \$15 trillion in assets, serves as a framework to address environmental, social and governance (ESG) risks and opportunities.⁴ Travelers is not a signatory. Several companies incorporate ESG in their underwriting practice, including AIG, Munich Re, and Zurich. Allianz, AXIS Capital, and Swiss Re assess FPIC.

Identification and evaluation of all relevant data or risk factors, including exposure to potential human rights or biodiversity impacts or losses that are relevant in the context of an activity, are necessary to accurately assess the risk exposure and appropriately set pricing, coverage, and exclusions. While Travelers provides some information on its evaluation of general risks in underwriting, it lacks disclosure on how it evaluates human rights risks, in particular the rights of Indigenous Peoples. This may expose the company to mispricing of risk or failing to identify potential social and human rights risks associated with its business activities, which may lead to increased costs, project cancelations, or negative human rights outcomes.

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2. <https://ourarcticrefuge.org/corporate-commitment-to-protect-the-arctic-refuge/>
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Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

FPIC

Update Procurement Policy to Commit to Eliminating Deforestation

WestRock Inc.

WHEREAS: WestRock is one of the world's largest fiber-based paper and packaging companies. Its primary raw materials are sourced from the United States, Canada, and increasingly from Brazil, three of the top countries experiencing tree cover loss over the last 20 years. Wood-based products are among the leading drivers of deforestation and forest degradation, responsible for approximately 12.5% of global greenhouse gas emissions. Primary forests, which are forests that have never been logged, are especially important, as they store 30-50% more carbon than previously disturbed forests.

Forests are also systemically important to biodiversity, water, the rights of Indigenous Peoples, and livelihoods. The World Economic Forum ranks biodiversity loss in the top three most severe global risks,¹ while the World Bank estimates the loss of select ecosystem services, including timber from native forests, could result in a decline in global GDP of \$2.7 trillion annually.² Production on forested land may also impact the rights, territory, and resources of Indigenous Peoples and local communities, and pose threats to environmental human rights defenders.³ The UN Declaration on the Rights of Indigenous Peoples recognizes the rights of Indigenous Peoples to self-determination, territories, and cultural practices, and establishes that entities must seek Free, Prior and Informed Consent (FPIC) of Indigenous Peoples related to any projects that may impact their rights.

In 2022, the Kunming-Montreal Global Biodiversity Framework was adopted with the goal to halt and reverse nature loss by 2030, which will prompt further regulatory action to address the risks of land use change and forest degradation. Recent regulation in the European Union increases expectations of corporations and investors on deforestation, forest degradation, biodiversity, and human rights.⁴ Investors and corporations developed the Taskforce on Nature-Related Financial Disclosures for corporates to assess their impacts and dependencies on nature.

WestRock's Sustainable Forestry and Virgin Wood Fiber Procurement Policy⁵ states that it is committed to maintaining various forest product certifications and procuring virgin fiber from responsible sources.

Certification alone is insufficient, however, as certification schemes do not uniformly require avoiding forest conversion or primary forest loss, or that logging operations obtain FPIC.

Peers such as 3M and International Paper have made commitments to deforestation-free sourcing that enhances and protects biodiversity and upholds FPIC of Indigenous Peoples.^{6,7} 3M also explicitly mentions that its detailed policy approach allows it to address issues not covered by certifications.

RESOLVED: Shareholders request that WestRock update its Sustainable Forestry and Virgin Wood Fiber Procurement Policy to include a commitment to eliminate deforestation and the degradation of primary forests in operations and procurement of wood fiber and to prevent negative impacts on Indigenous Peoples.

SUPPORTING STATEMENT: In support of this goal, proponents recommend:

- Adoption of best practices for preventing deforestation and degradation, including beyond the use of certifications.
- Incorporation of a commitment to conduct human rights due diligence, including FPIC procedures, throughout the company's operations and supply chain.

1. https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf, p. 14
2. <https://www.worldbank.org/en/news/press-release/2021/07/01/protecting-nature-could-avert-global-economic-losses-of-usd2-7-trillion-per-year>
3. <https://www.globalwitness.org/en/campaigns/environmental-activists/last-line-defence/>; <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N16/247/09/PDF/N1624709.pdf?OpenElement>
4. https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en; https://www.esma.europa.eu/sites/default/files/library/jc_2021_03_joint_esas_final_report_on_rts_under_sfdr.pdf
5. <https://www.westrock.com/-/media/pdfs/policies/sustainable-forestry-and-virgin-wood-fiber-procurement-policy-vjuly2023-pdf.pdf>
6. <https://multimedia.3m.com/mws/media/22350180/3mforestproductssourcingpolicyconformanceguidancedocument.pdf>
7. <https://www.internationalpaper.com/sites/default/files/file/2023-01/cdp-forests-2022.pdf>

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Eliminating Discrimination through Inclusive Hiring

Badger Meter Inc.

Similar resolutions were submitted to Adobe Systems Incorporated, IDEX, and Smith (A.O.) Corporation.

WHEREAS: In recent decades, U.S. incarceration rates have increased rapidly, and people of color are disproportionately affected. For people who have been in prison, the unemployment rate is 27% – higher than the total U.S. unemployment rate during any historical period – while formerly incarcerated Black women experience an unemployment rate of 43.6%. At the same time, studies predict a global skilled labor shortage of up to 85 million workers by 2030 – linking an untapped talent pool with an increasingly critical corporate need, especially for a company like Badger Meter that engineers and manufactures products;

Recruiting formerly incarcerated people (“fair chance hires”) widens the candidate pool for employers and benefits the economy at large. Case studies show that fair chance hires can have excellent attendance records and help decrease turnover (and associated expenses) while increasing productivity;

Fair chance employment best practices include:

- Resolving technical barriers in job applications;
- Creating internship and training programs with direct hire opportunities;
- Hosting job fairs targeting fair chance jobseekers;
- Removing blanket exclusions on specific crimes beyond legal requirements;
- Ensuring that criminal records reviewers use best practice standards for individualized reviews;
- Partnering with advocacy organizations that specialize in job preparation for incarcerated people;
- Destigmatizing the issue throughout the entire workforce;
- Creating employee support structures for justice-involved individuals;
- Examining anonymized data on fair chance hires to ensure racial and gender equity;

Fair chance employers are not blind to criminal records but commit to hiring practices that consider the effects of related stigma and bias. People with criminal records face thousands of collateral consequences after conviction that result in reduced employment opportunities and can lead to recidivism. The cost of recidivism on the U.S. economy is an estimated \$65 billion annually;

Because people of color are disproportionately incarcerated, pursuing fair chance employment can also advance company diversity goals. In its 2022 Sustainability Report, Badger Meter explains that “we believe that a diverse, equitable and inclusive business makes us stronger...” However, only 12% of U.S.-based management employees identify as people of color. This stands in contrast to the diversity levels of Milwaukee, where Badger Meter is headquartered, where 66% of residents identify as people of color;

Excluding qualified individuals because of criminal records could harm the company’s competitive advantage and reputation. Shareholders believe that company value would be well-served by examining whether revisions to company practices related to recruiting formerly incarcerated individuals could decrease future risks related to discriminatory hiring.

RESOLVED: Shareholders request that the Board of Directors prepare a report, at reasonable cost, omitting proprietary information, and published publicly within one year from the annual meeting date, analyzing whether Badger Meter’s hiring practices related to people with arrest or incarceration records are aligned with publicly stated diversity commitments, and whether those practices may pose reputational or legal risk due to potential discrimination (including racial discrimination) claims.

Proxy Resolutions: Human Rights and Worker Rights

For the full list of investors who filed this resolution, see the Index on p. 244.

Prioritization Public Health Impacts Associated with Products

Sturm Ruger and Company, Inc.

RESOLVED: Shareholders ask that the board commission and publish a third party report on (1) the link between the public health costs created by the marketing, promotion and sales of Sturm Ruger's products and its prioritization of financial returns over public welfare and (2) whether such prioritization threatens the returns of diversified shareholders who rely on a productive economy to support their investment portfolios.

WHEREAS: The Centers for Disease Control and Prevention reported over 48,000 deaths attributable to firearms in 2022, the equivalent of 132 deaths every day.¹ Over 76,000 people annually are injured by firearms.² Approximately 30,000 people receive inpatient hospital care annually for firearm injuries; 50,000 visit the emergency room; and total health care system costs alone exceed \$1B in initial care³—not including follow-up care. Compared to other nonfatal injuries, nonfatal firearm injury costs increased by \$2,495 per person, per month, in the first year following an injury. Overall, survivors experience poorer health outcomes, with more pain diagnoses (41%), psychiatric disorders (51%), and substance use disorders (85%) than peers who have not sustained firearm injuries.⁴ Gunshot survivors' relatives experience 12% more psychiatric disorders than their peers.⁴

During the pandemic, 60M guns were purchased in the U.S., nearly doubling sales when compared to 15-20 years prior.⁵ Sturm Ruger 2021 firearms sales alone equaled \$730M, and the company's profits increased by 73% from 2020—when the company's profits tripled.⁶ Ruger's CEO celebrated the company's profits on a November 2023 earnings call, attributing part of the growth to its SFAR (small-frame auto-loading rifle) which was the gun used in a recent mass shooting in Lewiston, ME, that killed 18 and wounded 13.

Firearm marketing increasingly glorifies weapons that militarize the common consumer.⁷ Ruger has marketed the SFAR as "Bigger and Stronger Where it Needs to Be."⁸ Ruger is currently in litigation over its marketing of weapons used in a shooting in Boulder, Colorado; victims' families are suing over the marketing of its AR-556 pistol, saying that the "reckless" and "immoral" marketing contributed to the mass shooting.⁹ The marketing practices of firearms manufacturers, including Ruger, have also drawn the concern of the U.S. Congress.¹⁰ The reputational impacts of the marketing and sales of products that attract both litigation and congressional interest calls into question the company's ability to deliver long-term value to shareholders.

The cost to the US of gun violence has been estimated at 2.6% of GDP.¹¹ Such systemic costs threaten the diversified portfolios of investors.¹² Addressing the costs of gun violence caused by the company's business practices has the potential to improve the health of our company, our population, our economy, and the diversified portfolios of investors. For these reasons, we urge you to vote "FOR" this proposal.

1. <https://www.cdc.gov/violenceprevention/firearms/fastfact.html#>
2. <https://www.bradyunited.org/key-statistics#>
3. <https://www.commonwealthfund.org/publications/2023/apr/health-costs-gun-violence-how-us-compares-to-other-countries>
4. <https://hms.harvard.edu/news/hidden-cost-firearm-injuries>
5. <https://thehill.com/policy/national-security/3960527-americans-bought-almost-60-million-guns-during-the-pandemic/>
6. <https://www.nhbr.com/sturm-ruger-reports-another-boom-year-for-its-firearms/>
7. <https://www.rollingstone.com/politics/politics-features/mass-shootings-gun-industry-greed-ravaging-america-1234874423/>
8. <https://www.theatlantic.com/ideas/archive/2022/07/firearms-industry-marketing-mass-shooter/670621/>
9. <https://apnews.com/article/colorado-supermarket-shooting-lawsuit-gun-maker-bc09ab647f629d3936edde0de0d64ef5>
10. <https://abcnews.go.com/Politics/top-gun-ceos-testifying-capitol-hill-wake-mass/story?id=87485548>
11. https://everytownresearch.org/report/the-economic-cost-of-gun-violence/?_gl=1*1w2fbml*_ga*OTQwNTIwOTg1LjE3MDEyNzg4NTk.*_ga_LT0FWV3EK3*MTcwMTI3ODg1OS4xLjEuMTcwMTI3ODg5NS4wLjAuMA..#executive-summary
12. https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Lobbying and Political Contributions

Companies regularly engage in lobbying to influence legislation and regulation to favor their businesses. Lobbying can occur at all levels of government, from the municipal to the state and federal levels. According to OpenSecrets, in 2023 total federal lobbying expenditures topped \$4 billion. The pharmaceutical, fossil fuel, tech, and insurance sectors are among the top spenders through direct lobbying, as well as indirect lobbying through third-party organizations including the U.S. Chamber of Commerce and the Business Roundtable (BRT). Some of the issues that attract significant lobbying dollars include drug pricing, climate change, and gun safety.

Each year, corporations also channel millions of dollars in support of political candidates, parties, and committees to influence elections at state and national levels—something that came into sharp focus in the wake of the 2020 U.S. Presidential election. According to the Center for Political Accountability, 14 public companies and three trade associations contributed \$39 million between the 2018 and 2022 election cycles to two

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527 committees and two super PACs that enabled the attacks on democracy in the U.S. Political spending in the U.S. will likely skyrocket as the nation moves deeper into the 2024 presidential election year.

Members of the ICCR coalition filed 63 proposals on corporate lobbying and political spending this year, making it the third-most popular category.

Lobbying Expenditures Disclosure

Companies regularly lobby through their trade associations and by funding nonprofit organizations that advocate for policy and seek to sway public opinion on their behalf. These organizations generally don't disclose the sources of their funding.

Investors asked 36 companies, including Capital One, Caterpillar, Eli Lilly, Morgan Stanley, Norfolk Southern, Occidental, and Wells Fargo to disclose their payments for direct or indirect lobbying and grassroots communications including the amount of the payment and recipient, as well as membership in and payments to any tax-exempt organizations that write/endorse model legislation, and to disclose their policies and procedures governing lobbying.



Proxy Resolutions: Lobbying and Political Contributions



Meredith Benton
Principal and Founder
Whistle Stop Capital, LLC

2024, no one needs to be reminded, is an election year. This means that there is likely to be increased attention on companies' involvement in the political process. The American political system is complex and nuanced, and it is challenging for companies to navigate within its highly polarized environment. However, they remain highly involved in American politics.

As such, concerned investors expect companies to have a process to identify and respond if they are supporting trade associations or legislators lobbying or voting against the company's best interests. This proxy season a number of shareholders have submitted resolutions asking about the **congruency between a company's political involvement and how it aligns with its needs and values**, such as legislation to address climate change or to support gender and race equality. Some resolutions also ask companies to assess the extent to which 'their' legislators are voting in alignment with operational priorities like tax codes and R&D funding.

Across each of these resolutions, investors are seeking assurance that their companies understand who they are giving money to, what the goals are the company hopes to accomplish with its donations, and if the expected return from that capital is being realized, just like any other ROI (return on investment) analysis. Investors similarly want to be sure that companies understand the risk/reward ratio they are undertaking, and have a plan in place to mitigate the brand and employee-relations risks associated with political giving.

Some companies are taking heed of this demand and are moving proactively. Rather than face a resolution this year, AT&T released a Political Congruency Report, the first of its kind, which provides investors with public, aggregated information on the company's political spending. It assesses to what extent the state and federal elected officials AT&T and its employee PACs contributed to voted in alignment with legislation identified as important to the company's stated priorities (identified by the company as 'U.S. economic stability and growth' and 'technological progress and access', among others). Other companies are following suit, with additional commitments to release this type of reporting expected in 2024.

Political Contributions

For decades, investors have sounded alarms about the threat that corporate political spending poses to our democratic institutions, as it affects policy-making at all levels of government that places corporate interests over the public interest.

Shareholders cannot evaluate a company's direct electoral spending through 501c(4) groups and trade associations unless the company discloses it. Investors asked 17 companies including Huntsman, Live Nation, Sonoco, and Spirit Aerosystems to disclose all of their electoral spending, direct and indirect, or clearly state that all such spending is prohibited.

Political Contributions Misalignment

Political donations that are misaligned with a company's stated values and mission present brand risks that can impact shareholder value. By implementing policies and practices in line with the Erb Principles and the CPA-Zicklin Model Code, companies ensure they are mitigating these risks.

ICCR members asked Disney, Verizon, Molina Healthcare and Comcast to analyze the congruence of their political and electioneering expenditures during the preceding year against their publicly stated values and policies, and in Verizon's case, the company's operational and strategic needs. Verizon has ranked in the top 1% of political donors in every election cycle since 2012. Disney and its employee PAC ranks in the top 1%.

Comcast is also one of the nation's largest corporate political spenders.

Proxy Resolutions: Lobbying and Political Contributions



Laura Campos
Senior Director, Economic Justice
The Nathan Cummings Foundation

There's no question that political spending poses risks for corporations and their investors, especially in today's highly polarized environment. Now more than ever, corporations must have a comprehensive framework for addressing that risk. That's why we've partnered with the Center for Political Accountability to ask Elevance Health to take steps to ensure it is aware of *all* political spending supported with its funds.

By requiring **527 committees, trade associations, social welfare organizations**, and others focused primarily on engaging in political activities to provide specific information on those activities, Elevance can better oversee and mitigate any risks associated with its third-party political spending. This is an essential part of meaningful due diligence and enterprise risk management that protects companies and their shareholders.

Elevance has contributed millions to third-party groups since the Supreme Court's ruling in *Citizens United v. Federal Election Commission*. Among other things, this spending has supported third parties connected to attacks on voting rights, efforts to stymie climate action, and other controversial issues that can create reputational risks for Elevance and ultimately undermine the health of the entire U.S. economy, with potentially negative impacts on diversified investors' entire portfolios.

Elevance has tried to avoid implementing this best practice by claiming it can't possibly require third parties to let them know what their money ultimately supports. But that's a disingenuous argument at best. When third parties come calling, you can bet that if it comes down to a choice between leaving empty-handed or disclosing basic information on where that money ultimately lands, most will choose the latter. If they don't, they're probably exactly the type of group Elevance should think twice about supporting.

Cease Political Contributions through PACs

Elevance has contributed \$12.75m to third-party groups since the 2010 election cycle; beneficiaries have been tied to attacks on voting rights, efforts to deny climate change, and the January 6 insurrection. Delta for example has contributed at least \$1.85m. By contrast, twenty leading companies have adopted policies prohibiting contributions of political funds to influence elections, and 72 more have prohibited or restricted payments to trade associations of 501(c)(4) organizations that would be used for election-related spending.

This year ICCR members asked Verizon—which has been repeatedly challenged for its political contributions—to issue a third-party report examining the impact on American democracy, the sector and the company, of adopting a policy prohibiting the use of corporate or PAC funds for direct or indirect contributions to a political candidate.

Require Trade Associations to Disclose Political Contributions

Corporate memberships in and the amounts of payments to trade associations such as the Chamber and tax-exempt groups such as ALEC are often hidden or masked. These payments can constitute a reputational risk, particularly if they are not in alignment with a company's stated values.

Arguing that companies have a fiduciary duty to monitor their political spending, ICCR members asked Delta Air Lines and Elevance Health to adopt policies requiring that prior to making a donation that supports the political activities of any trade association or social welfare organization the companies will require that the organization report at least annually the organization's expenditures for political activities.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Require Trade Associations to Disclose Political Contributions

Elevance Health

A similar resolution was submitted to Delta Air Lines, Inc.

RESOLVED: The shareholders of Elevance Health, Inc. ("Elevance" or "Company") ask the Company to adopt a policy requiring that, prior to making a donation or expenditure that supports the political activities of any trade association, social welfare organization, or entity organized and operated primarily to engage in political activities, Elevance will require that the organization report, at least annually, the organization's expenditures for political activities, including the amount spent and the recipient, and that each such report be posted on Elevance's website.

For purposes of this proposal, "political activities" are:

- 1) influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office; or
- 2) supporting a party, committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures to engage in the activities described in 1).

This proposal does not encompass lobbying spending.

SUPPORTING STATEMENT: Our company must act on its fiduciary responsibility to monitor its political spending and the accompanying risks more closely. Too often corporate leaders fail to fully assess and scrutinize the ultimate beneficiaries of political contributions from corporate treasury funds. This oversight constitutes a lapse in corporate officers' duty of care to protect and advance the interests of a company and its shareholders.

This duty is ever more crucial as corporate political engagement is increasingly scrutinized by the media, employees, investors, regulators, and consumers. This new reality has exponentially increased the financial risks companies face when their political spending directly or indirectly associates their brand with controversial political issues and outcomes and claims of corruption. Further, when companies donate to third-party groups, they typically lose the ability to control or to know how their money is eventually spent.

Companies can no longer give to politically active groups without paying close attention to the consequences or to what their political spending might enable.

Public records show Elevance has contributed at least \$12.75 million in corporate funds to third-party groups dating to the 2010 election cycle. Beneficiaries of this spending have been tied to attacks on voting rights, efforts to deny climate change, efforts to impose extreme restrictions on abortion, and even the attempted insurrection at the U.S. Capitol – associations many companies wish to avoid.

It is unclear whether Elevance and its board received sufficient information from these groups to assess (a) the potential risks for the Company and stockholders, and (b) whether the groups' expenditures aligned with Elevance's core values, business objectives, and policy positions.

Our company must look behind the curtain and demand to know how our money is spent and what risks our company is assuming. Mandating reports from third-party groups receiving political money from Elevance would demonstrate the Company's commitment to robust risk management and responsible civic engagement.

We urge a vote FOR the commonsense risk management measures in this proposal.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Cease Political Contributions

Verizon Communications Inc.

RESOLVED: The shareholders request that the board (at reasonable cost, within a reasonable time, and excluding confidential/proprietary information) commission, oversee, and publish an independent third-party study which examines the impact on the company, the sector, and American democracy of the company adopting a policy prohibiting the use of corporate or PAC funds for direct or indirect contributions to political candidates. The study should provide recommendations and potential next steps.

WHEREAS: Former chief justice of the Delaware Supreme Court Leo Strine argued in the Harvard Business Review: "Because political donations are controlled by managers, and because no corporate stakeholders, including shareholders, base their relationship with a company on the expectation that it will use its entrusted capital for political purposes, corporate political spending cannot reflect the diverse preferences and views of those stakeholders. Even the classic justification that corporate donations maximize shareholder wealth is on shaky ground: Emerging evidence suggests that they can destroy value by suppressing innovation and distracting managers from more-pressing tasks."¹

For example, a study of corporate political activity in the form of lobbying and PAC spending by S&P 500 companies from 1998 to 2004 found that it was strongly and negatively related to company value. This suggests that ceasing political spending does not necessarily put a company at a competitive disadvantage.² Furthermore, political contributions by one company can take the form of rent-seeking which may lead to externalities that weigh on other companies, taxpayers, and consumers – possibly slowing real overall economic growth. This may raise concerns for widely diversified investors who are more exposed to the prosperity of the broader economy and suggests that they should support a cessation of political contributions.

Increasingly, companies such as IBM, Nvidia, ADP, Boeing, Verisign, and fifteen others are adopting policies prohibiting contributions of political funds directly or indirectly to influence elections. And another 72 companies prohibited or restricted payments to either trade associations or 501(c)(4)s.³ We believe Verizon has reputational risk as it has repeatedly been called out for political contributions which appear to be inconsistent with its corporate values. As was pointed out in 2022, Verizon recognized Women's History Month by highlighting how "Verizon 'focus[es] on breaking down bias and stereotypes while continuing progress on women's equality and gender equality.'" But between 2016 and May 2022, Verizon reportedly contributed \$901,150 to anti-abortion political committees.⁴

Verizon claims it is "proud to foster an inclusive environment" and that it is "committed to LGBTQ+ equality across the board." From January 2022 through May 2023 Verizon reportedly contributed \$385,000 to anti-LGBTQ politicians.⁵ We believe that business needs a healthy democracy, yet it appears that "Verizon has donated \$123,000 to 54 different GOP election deniers."⁶

Given potential risks and potential negative impact on shareholder or portfolio value, the proponents believe Verizon should study a policy to refrain from using corporate treasury funds in the political process.

1. <https://hbr.org/2022/01/corporate-political-spending-is-bad-business>

2. [https://dash.harvard.edu/bitstream/handle/1/30064396/Coates_684.pdf?sequence=1&isAllowed="](https://dash.harvard.edu/bitstream/handle/1/30064396/Coates_684.pdf?sequence=1&isAllowed=)

3. <https://www.politicalaccountability.net/wp-content/uploads/2023/10/2023-CPA-Zicklin-Index.pdf>

4. <https://popular.info/p/these-13-corporations-have-spent>

5. <https://popular.info/p/these-25-major-corporations-donated>

6. <https://gizmodo.com/amazon-election-deniers-2020-midterms-pacs-1849706425>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Contributions

Mattel, Inc.

Similar resolutions were submitted to Annaly Capital Management, AutoNation, Inc, Church & Dwight Co., Inc., Crown Holdings Inc., Global Payments Inc., Huntsman Corporation, IQVIA Holdings, Inc., ITT Corporation, Lennar Corporation, Live Nation Entertainment, Inc., NVR, Inc., PACCAR, Inc., Sonoco Products Company, Spirit Aerosystems, and Stryker Corporation.

RESOLVED, that the shareholders of Mattel, Inc. ("Mattel" or "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 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 decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

SUPPORTING STATEMENT: As long-term shareholders of Mattel, we support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

A company's reputation, value, and bottom line can be adversely impacted by political spending. The risk is especially serious when giving to trade associations, Super PACs, 527 committees, and "social welfare" organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support.

The Conference Board's 2021 "Under a Microscope" report details these risks, recommends the process suggested in this proposal, and warns "a new era of stakeholder scrutiny, social media, and political polarization has propelled corporate political activity—and the risks that come with it—into the spotlight. Political activity can pose increasingly significant risks for companies, including the perception that political contributions—and other forms of activity—are at odds with core company values."

This proposal asks Mattel to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations which may be used for electoral purposes—and are otherwise undisclosed. This would bring our Company in line with a growing number of leading companies, including The Clorox Company, Campbell Soup Company, and Electronic Arts Inc., which present this information on their websites.

Without knowing the recipients of our company's political dollars we cannot sufficiently assess whether our company's election-related spending aligns or conflicts with its policies on climate change and sustainability, or other areas of concern. We urge your support for this critical governance reform.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Contributions

Marvell Technology, Inc.

RESOLVED, that the shareholders of Marvell Technology, Inc. (“Marvell” or “Company”) hereby request the Company to prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on the Company’s website, disclosing the Company’s:

- a) Policies and procedures for making electoral contributions and expenditures (direct and indirect) with corporate funds, including the board’s role (if any) in that process; and
- b) Monetary and non-monetary contributions or expenditures that could not be deducted as an “ordinary and necessary” business expense under section 162(e)(1)(B) of the Internal Revenue Code, including (but not limited to) contributions or expenditures on behalf of candidates, parties, and committees and entities organized and operating under section 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments made to any tax-exempt organization (such as a trade association) used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e)(1)(B) of the Internal Revenue Code.

The report shall be made available within 12 months of the annual meeting and identify all recipients and the amount paid to each recipient from Company funds. This proposal does not encompass lobbying spending.

SUPPORTING STATEMENT: As long-term shareholders of Marvell, we support transparency and accountability in corporate electoral spending. A company’s reputation, value, and bottom line can be adversely impacted by election spending conducted through third-parties.

The Conference Board’s 2021 “Under a Microscope” report warns “a new era of stakeholder scrutiny, social media, and political polarization has propelled corporate political activity—and the risks that come with it—into the spotlight. Political activity can pose increasingly significant risks for companies, including the perception that political contributions—and other forms of activity—are at odds with core company values.”

Marvell disclosed in its 2023 Proxy Statement a statement regarding political contributions but this is deficient because the statement does not clearly address all direct and indirect corporate-funded election-related spending, including payments to 501(c)(4) social welfare organizations, payments to 527 groups, payments to trade associations, independent expenditures, and payments to influence the outcome of ballot measures.

Information on indirect electoral spending through 501(c)(4) groups and trade associations cannot be obtained by shareholders unless the Company discloses it. This proposal asks Marvell to disclose all of its electoral spending, direct and indirect, or clearly state that all such spending is prohibited. This would bring our company in line with a growing number of leading companies, including Western Digital Corp., Texas Instruments Inc., and Qualcomm Inc., which present this information on their websites.

Without knowing the recipients of our company’s political dollars investors cannot sufficiently assess whether our company’s election-related spending aligns or conflicts with company policies, goals and values, or other areas of concern. We urge your support for this critical governance reform.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Contributions Misalignment

Verizon Communications Inc.

A similar resolution was submitted to Molina Healthcare Inc.

WHEREAS: According to public data collected by OpenSecrets.org, Verizon Communications Inc. and its employee PAC have ranked in the top 1% of political donors in every election cycle since at least 2012.¹

As the Supreme Court has explained, transparency in corporate electoral spending “permits citizens and shareholders to react to the speech of corporate entities in a proper way” by providing “shareholders and citizens with the information needed to hold corporations and elected officials accountable.”²

Greater political spending transparency is associated with “better internal corporate decision-making” and “facilitates a positive relationship between corporate political spending and future financial performance.”³

By contrast, political donations to candidates that do not fully align with a company’s stated values and commitments may create long-tail reputational risks to the Company when recipients engage in polarizing political acts. The impacts on a company may include difficulties in recruiting and retaining talented employees, shareholder dissatisfaction, and public backlash and boycotts.⁴

Verizon publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties, and committees. Verizon does not, however, disclose information regarding misalignment between its political spending and the Company’s strategic and operational needs or its publicly stated values and vision as articulated in its corporate responsibility reporting.

As a result, investors are unable to determine if Verizon is directing its political expenditures in a way that is consistent with the Company’s strategic needs, values, and interests. Clear policies and reporting on Verizon’s political spending would provide investors with assurance that the inherent brand risk associated with political spending is well-managed.

BE IT RESOLVED: Shareholders request the Board annually report, at reasonable expense, on Verizon’s political and electioneering expenditures, identifying and analyzing incongruence between such expenditures and the Company’s operational and strategic needs and its stated values and policies. The report should state whether Verizon has made, or plans to make, changes in contributions or communications as a result of identified incongruencies.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, that Verizon include in its analysis metrics that illuminate the degree to which political contributions align with stated strategy, values, and policy priorities year-over-year and present such metrics in the aggregate. Proponents further recommend the report contain management’s analysis of political spending risks to our Company’s brand, reputation, or shareholder value that might arise from spending from the corporate treasury or from its PACs, directly or through third parties, which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate.

1. <https://www.opensecrets.org/orgs/verizon-communications/summary?id=D000000079>

2. https://www.fec.gov/resources/legal-resources/litigation/cu_sc08_opinion.pdf, p.55

3. <https://www.sciencedirect.com/science/article/abs/pii/S0929119918301135>

4. https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/economics-of-voting/the-implications-of-corporate-political-donations/

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Contributions Misalignment

Comcast Corp.

WHEREAS: Comcast Corporation (“Comcast”) is one of the nation’s largest corporate political spenders. In 2022, the Company contributed about 14 million dollars to lobbying, 9 million dollars to political contributions, and 14 million dollars to trade associations and nonprofit organizations.¹

Comcast states that its PAC Board and Vice President of Political Affairs review political contributions against criterion listed in its Statement on Political and Trade Association Activity. The Company states its contributions are bipartisan, and that “no one criterion or public policy position determines whether a candidate receives a contribution.”²

Given the sheer volume of Comcast’s political spending and because spending decisions are not based solely on one public policy decision, it is crucial Comcast provides greater transparency into its political spending decision-making and regularly monitors for corporate values alignment. Especially in the current environment of increased political scrutiny, transparency into political spending alignment provides assurance the Company is adhering to its stated business interests and values.

Inconsistencies in Comcast’s stated political spending criterion and contributions may pose significant risks to the Company’s business and reputation. For example, Comcast states it supports candidates that “respect democracy and the rule of law.” Yet, Comcast supports politicians who advanced fictitious stolen 2020 election narratives. Continued support of these politicians may contribute to a denigration of the United States’s political stability, ultimately jeopardizing Comcast’s business interests.

Additionally, Comcast contributes to candidates who “support policies that make it easier to hire and retain a skilled workforce.” Yet, Comcast contributed 8 million to political recipients working to weaken reproductive health care, which undermines the Company’s ability to attract and retain female talent within restrictive states.

The Center for Political Accountability’s Model Code of Conduct advises companies to conduct a political spending misalignment review to mitigate reputational and business risks.³ Comcast should establish transparent reporting on political spending misalignment so shareholders have greater insight into how the Company balances competing interests when making political contributions.

RESOLVED: Shareholders request that Comcast publish an annual report, at reasonable expense, analyzing the congruence of the Company’s political and electioneering expenditures during the preceding year against publicly stated company values and policies, listing and explaining any trends of incongruent expenditures, and stating whether the Company has made, or plans to make, changes in contributions or communications to candidates as a result of identified incongruencies.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, Comcast report metrics illuminating the degree to which political contributions align with stated values and policy priorities year over year, and present such metrics in the aggregate. Proponents recommend the report contain management’s analysis of risks to the Company’s brand or reputation associated with expenditures in conflict with publicly stated company values. “Electioneering expenditures” means spending, from the corporate treasury and from its PACs, during the year, directly or through third parties, which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate.

1. <https://corporate.comcast.com/impact/values-integrity/integrity/activity> ; <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2022&id=D000000461>

2. https://update.comcast.com/wp-content/uploads/sites/33/dlm_uploads/2023/04/Statement-on-Political-and-Trade-Association-Activities-April-5-2023.pdf

3. <https://www.politicalaccountability.net/wp-content/uploads/2022/06/CPA-Zicklin-Model-Code-of-Conduct-for-Corporate-Political-Spending.pdf>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Contributions Misalignment

Altria Group, Inc.

RESOLVED: Shareholders request that Altria annually analyze and report on the congruence of both political spending and lobbying expenditures during the preceding year, compared to its public Vision, Responsibility Focus Areas and Cultural Aspirations statements, listing and explaining instances of incongruent or misaligned expenditures, and reporting whether the identified incongruencies will lead to changes in future expenditures.

WHEREAS: A New York Times article, "Big Tobacco Heralds a Healthier World While Fighting Its Arrival",¹ reported: "Major cigarette companies, like Altria and R.J. Reynolds, acknowledge that cigarettes are dangerous and addictive, and they are heralding their investments in electronic cigarettes and other less-harmful alternatives to cigarettes. But, behind the scenes, they are taking steps to slow the very smokeless future they claim to want: The companies have submitted letters protesting the proposed menthol ban in traditional cigarettes, and they have signaled they will similarly resist any efforts to lower nicotine levels."

Altria is a long-time supporter of the American Legislative Exchange Council (ALEC), an organization that brings together corporate lobbyists and legislators and drafts model legislation for state and federal legislators to propose. It is one of the top corporate sponsors of ALEC's annual conference. Altria's senior director of government affairs spoke at ALEC's 2023 conference, and, according to an article by the Center for Media and Democracy, urged "state lawmakers to deregulate the tobacco industry despite the lethal, addictive nature of its products, which are responsible for nearly 500,000 death a year in the U.S."²

Altria also supports initiatives conflicting with its environmental commitments, one of its Responsibility Focus Areas.³ Altria set science-based greenhouse gas reduction targets yet is a member of the US Chamber of Commerce as well as ALEC, both of which lobbied to roll back specific climate regulations and regulations to slow the transition towards a lower-carbon economy.

While Altria has articulated support for the right to vote⁴, the League of Women Voters and over 300 organizations sent a letter to Altria and other corporations to stop funding ALEC because of its voter restriction efforts.⁵

Altria does not disclose the amount of payments to trade associations (TAs) and social welfare groups (SWGs). Companies can give unlimited amounts to TAs and SWGs that spend millions on lobbying. The federal Lobbying Disclosure Act doesn't require reporting of state lobbying.

While Altria scores well on the Center for Political Accountability (CPA)'s Zicklin Index of Corporate Political Disclosure and Accountability, it has not adopted CPA's Model Code of Conduct⁶, which includes: "disclose dues and other payments made to trade associations and contributions to other tax-exempt organizations that are or that it anticipates will be used for political expenditures. The disclosures shall describe the specific political activities undertaken."⁷

Altria's 2022 Lobbying and Political Activity Transparency and Integrity Report provides very useful information; our proposal would close a critical gap in information provided and greatly enhance transparency.

1. <https://www.nytimes.com/2022/11/06/health/tobacco-fda-menthol-ban-nicotine.html?smid=em-share>
2. <https://www.exposedbycmd.org/2023/08/21/tobacco-giant-altria-buys-access-to-alec-lawmakers-urges-deregulation/>
3. <https://www.altria.com/responsibility/protect-the-environment?src=resp-at-a-glance>
4. <https://www.altria.com/about-altria/our-voice-and-actions/where-we-stand-on-voting-rights>
5. <https://www.commoncause.org/press-release/common-cause-fair-fight-action-and-over-300-organizations-call-on-corporations-to-cut-ties-with-alec/>
6. <https://www.politicalaccountability.net/wp-content/uploads/2022/06/CPA-Zicklin-Model-Code-of-Conduct-for-Corporate-Political-Spending.pdf>
7. <https://www.politicalaccountability.net/wp-content/uploads/2022/06/CPA-Zicklin-Model-Code-of-Conduct-for-Corporate-Political-Spending.pdf>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Contributions Misalignment

Disney (Walt) Company / ABC

WHEREAS: Public data collected by OpenSecrets.org show that The Walt Disney Company (“Disney”) and its employee PAC rank in the top 1% of political donors.¹

As long term shareholders of Disney, we support transparency and accountability in corporate electoral spending. Informed disclosure is in the best interest of the company and its shareholders. As the Supreme Court recognized in its 2010 Citizens United decision, such transparency “permits citizens and shareholders to react to the speech of corporate entities in a proper way” and “enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

Greater political spending transparency is associated with increased investment levels, both domestic and foreign, and decreased investment volatility.² Increased institutional investment, increased analyst following, and decreased analyst forecast error and forecast dispersion are all positively correlated with greater transparency.³

Disney publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties, and committees. However, greater transparency is warranted because Disney does not disclose information regarding misalignment between its political spending and the company’s publicly stated values and vision as articulated in its CSR Report and related ESG disclosures. Investors are unable to determine if Disney is directing its political expenditures in a way that is consistent with company values and interests and mitigates reputation risk.

To minimize values misalignment and reputation and brand risk, Disney should establish clear policies and reporting on such misalignment.

RESOLVED: Shareholders request the Board annually publish a report, at reasonable expense, analyzing the congruence of Disney’s political and electioneering expenditures during the preceding year against Disney’s publicly stated company values and policies. The report should state whether Disney has made, or plans to make, changes in contributions or communications as a result of identified incongruencies.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, that Disney include in its analysis metrics that illuminate the degree to which political contributions align with stated values and policy priorities year over year, and present such metrics in the aggregate. Proponents further recommend that the report also contain management’s analysis of risks to our company’s brand, reputation, or shareholder value of political spending, including expenditures for electioneering communications, that conflict with publicly stated company values. “Expenditures for electioneering communications” means spending, from the corporate treasury and from its PACs, during the year, directly or through third parties, in printed, internet, or broadcast communications, which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate.

1. <https://www.opensecrets.org/orgs/walt-disney-co/summary?id=d000000128>

2. <https://doi.org/10.1016/j.jcorpfin.2018.08.014>

3. <https://www.sciencedirect.com/science/article/abs/pii/S0929119918301135>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Political Activities Alignment

Lockheed Martin Corporation

A similar resolution was submitted to Northrop Grumman Corporation.

RESOLVED: Shareholders request the Board of Directors annually conduct an evaluation and issue a public report, at reasonable cost and omitting proprietary information, describing the alignment of its political activities (including direct and indirect lobbying and political and electioneering expenditures) with its Human Rights Policy. The report should list and explain instances of misalignment, and state whether and how the identified incongruencies have or will be addressed.

WHEREAS: Lockheed Martin (Lockheed), in its Human Rights Policy, commits to protecting and advancing human rights and minimizing the negative consequences of its business activities. However, in opposition to these commitments, Lockheed actively lobbies, makes political contributions, and otherwise pushes for government sales of its products and services to customers linked to irremediable human rights violations, especially in conflict-affected and high-risk areas.

Engaging in political activities that are misaligned with its Human Rights Policy presents material legal, reputational, regulatory, and litigation risks to Lockheed and its investors.¹ Shareholders lack assurance that Lockheed's lobbying activities are not encouraging weak regulation of its sales and products that present significant human rights risks. For example, Lockheed faces scrutiny for its role manufacturing F-35 jets for the Joint Strike Fighter Program, the DOD's most expensive weapons system, which costs taxpayers over \$1 trillion.² Beyond the program's technical issues and environmental damages,³ Lockheed's F-35s have been used repeatedly to target civilians and are connected to apparent war crimes.⁴ Despite this, Lockheed continues to lobby heavily to maintain and increase the F-35 budget.⁵ In July 2023, Lockheed was awarded another \$3 billion deal to sell 25 F-35's to Israel, where escalating violence exacerbates a humanitarian crisis.⁶

Research organizations have recorded defense manufacturers exerting "deep influence through money in politics."⁷ Lockheed spent nearly \$7 million lobbying in 2022, much of which focused on defense appropriations and foreign military sales.⁸ Investors lack disclosure on these lobbying activities, particularly how they align with the Company's Human Rights Policy. The UN has criticized the "symbiotic relationship" between governments and defense contractors, "which can cause States to approve arms exports despite genuine human rights risks that should prevent them."⁹ Additionally, Lockheed makes significant contributions to think tanks, which are not required to disclose donations. Lockheed has donated to think tanks lobbying against emissions disclosures for defense companies, for increased nuclear weapons production, and for US military involvement in foreign conflicts.¹⁰

Although Lockheed claims its political activities are conducted "in a responsible and ethical way,"¹¹ they appear misaligned with its human rights commitments. Establishing clear policies and reporting on misalignment is critical to mitigating material risks that harm shareholder value.

1. https://corporate.vanguard.com/content/dam/corp/advocate/investment-stewardship/pdf/perspectives-and-commentary/INVSPOLS_032021.pdf
2. <https://www.nytimes.com/2019/08/21/magazine/f35-joint-strike-fighter-program.html>
3. <https://saveourskiesvt.org/>
4. <https://investigate.afsc.org/company/lockheed-martin> ; <https://www.hrw.org/news/2021/07/27/gaza-apparent-war-crimes-during-may-fighting#:~:text=The%20UN%20says%20that%20Israeli,civilian%20deaths%2C%20including%202%20children.>
5. <https://prospect.org/power/lockheed-backed-reps-lobby-against-f-35-spending-cuts/>
6. <https://www.reuters.com/world/middle-east/israel-buy-25-more-f-35-stealth-jets-3-bln-deal-2023-07-02/>
7. <https://www.opensecrets.org/news/reports/capitalizing-on-conflict/yemen-case-study>
8. <https://www.opensecrets.org/federal-lobbying/clients/summary?id=D000000104> ; <https://www.lockheedmartin.com/en-us/who-we-are/leadership-governance/board-of-directors/political-disclosures.html>
9. <https://www.ohchr.org/sites/default/files/2022-08/BHR-Arms-sector-info-note.pdf>
10. <https://inthesetimes.com/article/heritage-foundation-lockheed-martin-weapons-industry-climate-regulation-biden> ; <https://quincyinst.org/report/defense-contractor-funded-think-tanks-dominate-ukraine-debate/> ; <https://inkstickmedia.com/what-buying-the-support-of-top-us-think-tanks-gets-you/>
11. <https://www.lockheedmartin.com/en-us/who-we-are/leadership-governance/board-of-directors/political-disclosures.html>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

MasterCard Incorporated

Similar resolutions were submitted to Alcoa Inc. (Aluminum Company of America), Applied Materials, Inc., Bank of New York Mellon Corporation, Capital One Financial Corp., Carrier Global Corp., CDW Corp., DexCom Inc., Edison International, Flowserv Corporation, Goldman Sachs Group Inc., HP, inc. (Hewlett-Packard), Huntington Ingalls Industries, International Business Machines Corp. (IBM), L3Harris Technologies, Morgan Stanley, Norfolk Southern Corporation, Occidental Petroleum Corporation, RTX (Raytheon), Truist Financial, and Wells Fargo & Company.

RESOLVED, the stockholders of MasterCard 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 MasterCard 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. MasterCard'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 MasterCard is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Nominating and Corporate Governance Committee and posted on MasterCard's website.

SUPPORTING STATEMENT: Full disclosure of MasterCard's lobbying activities and expenditures is needed to assess whether MasterCard's lobbying is consistent with its expressed goals and stockholder interests. MasterCard spent \$47,455,800 from 2010–2022 on federal lobbying. This does not include state lobbying, where MasterCard also lobbies. And MasterCard lobbies abroad, spending between €800,000–899,999 on lobbying in Europe for 2022. MasterCard's lobbying over swipe fees amid surging inflation has attracted media scrutiny.¹

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity.² MasterCard fails to disclose its payments to trade associations and social welfare groups, or the amounts used for lobbying, to stockholders. MasterCard belongs to the Business Roundtable and US Chamber Commerce, which together have spent over \$2.2 billion on federal lobbying since 1998, and reportedly funds the State Financial Officers Foundation (SFOF),³ which is attacking woke capitalism.⁴ And while MasterCard does not belong to the controversial American Legislative Exchange Council,⁵ it is represented by the Chamber sitting on its Private Enterprise Advisory Council.⁶

MasterCard's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. MasterCard supports addressing climate change, yet the Business Roundtable lobbied against the Inflation Reduction Act⁷ and the Chamber reportedly has been a "central actor" in dissuading climate legislation over two decades.⁸ MasterCard is committed to diversity, equity and inclusion, yet the Chamber lobbied against protecting voting rights.⁹ And MasterCard's support for SFOF has drawn scrutiny for "pandering to a handful of pro-fossil fuel US politicians"¹⁰ and fueling the fight against ESG investing.¹¹

MasterCard should expand its lobbying disclosure.

1. <https://thehill.com/business-a-lobbying/3477263-senators-grill-visa-mastercard-execos-over-swipe-fees/>.
2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.
3. <https://www.nytimes.com/2022/08/05/climate/republican-treasurers-climate-change.html>.
4. <https://www.washingtonpost.com/climate-environment/2022/07/12/republicans-threaten-wall-street-over-climate-positions/>; <https://www.exposedbycmd.org/2022/02/16/republican-group-of-state-financial-officers-takes-on-woke-capitalism/>.
5. <https://www.exposedbycmd.org/2022/11/10/alec-eyes-sweeping-government-blacklists/>.
6. <https://ohiocapitaljournal.com/2023/09/06/coming-soon-in-ohio-alec-releases-new-raft-of-model-legislation/>.
7. <https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable>.
8. <https://www.washingtonpost.com/politics/2023/08/02/climate-group-pushes-big-tech-exit-nations-largest-business-lobby/>.
9. <https://www.cnn.com/2021/04/21/business/voting-rights-chamber-of-commerce/index.html>.
10. <https://www.ft.com/content/b4d1cuc5-b9e0-4df2-b7e0-c0f9f460fe7b>.
11. <https://www.cnbc.com/2023/03/01/esg-investing-gop-opposition-has-ties-to-trump-allies-wealthy-donors.html>.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Alphabet, Inc.

RESOLVED, stockholders of Alphabet request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Alphabet used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Alphabet is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Governance Committee and posted on Alphabet's website.

SUPPORTING STATEMENT: Full disclosure of Alphabet's lobbying activities and expenditures is needed to assess whether its lobbying is consistent with Alphabet's expressed goals and stockholders' best interests. Alphabet spent

\$119,029,000 on federal lobbying from 2015–2022. This does not include state lobbying. Alphabet lobbied in at least 39 states in 2022. Alphabet also lobbies abroad, "being accused of shady lobbying"¹ and spending between €5,500,000–5,999,999 on lobbying in Europe for 2022.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity.² Alphabet lists support of 368 trade associations (TAs), social welfare groups (SWGs) and nonprofits for 2022, yet fails to disclose its payments, or the amounts used for lobbying.

Alphabet belongs to the Chamber of Commerce and Business Roundtable, which have spent over \$2.2 billion on lobbying since 1998, supports SWGs that lobby like National Taxpayers Union³ and Taxpayers Protection Alliance,⁴ and funds controversial nonprofits like the Competitive Enterprise Institute (CEI),⁵ Federalist Society⁶ and Independent Women's Forum, which has drawn scrutiny for "using anti-trans scaremongering" to oppose the Equal Rights Amendment.⁷

Alphabet's lack of disclosure presents reputational risks when its lobbying contradicts company public positions or hides payments to SWGs. Alphabet has drawn attention for funding "dark money groups" to oppose antitrust regulation.⁸ On company positions, Alphabet believes in addressing climate change, yet the Business Roundtable lobbied against the Inflation Reduction Act,⁹ the Chamber reportedly has been a "central actor" in dissuading climate legislation over a two-decade period,¹⁰ and CEI is described as a "climate denialist think tank."¹¹ And while Alphabet does not belong to the controversial American Legislative Exchange Council,¹² it is represented by the Chamber¹³ and NetChoice,¹⁴ which each sit on its Private Enterprise Advisory Council.

Alphabet should expand its lobbying disclosure.

1. <https://www.politico.eu/article/big-tech-companies-face-potential-eu-lobbying-ban/>.
2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.
3. <https://time.com/6182329/the-strange-coalition-in-congress-poised-to-score-a-major-win-against-big-tech/>.
4. <https://www.opensecrets.org/news/2021/06/dark-money-groups-battle-efforts-to-limit-big-tech/>.
5. <https://www.nytimes.com/2019/07/10/climate/nyt-climate-newsletter-cei.html>.
6. <https://www.cnbc.com/2021/01/15/federalist-society-under-fire-after-leader-spoke-at-pro-trump-rally-before-riot.html>.
7. <https://truthout.org/articles/dark-money-womens-groups-are-using-anti-trans-scaremongering-to-oppose-era/>.
8. <https://www.opensecrets.org/news/2021/06/dark-money-groups-battle-efforts-to-limit-big-tech/>.
9. <https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable>.
10. <https://www.washingtonpost.com/politics/2023/08/02/climate-group-pushes-big-tech-exit-nations-largest-business-lobby/>.
11. <https://prospect.org/power/2023-07-17-climate-denialist-think-tank-ftc/>.
12. <https://www.exposedbycmd.org/2022/07/27/abandoning-free-market-and-liberty-principles-alec-takes-on-woke-capitalism-bodily-autonomy-and-more-at-its-annual-meeting/>.
13. <https://ohiocapitaljournal.com/2023/09/06/coming-soon-in-ohio-alec-releases-new-raft-of-model-legislation/>.
14. <https://readsludge.com/2023/10/03/alec-gala-will-face-protest-from-pro-democracy-groups/>.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Amazon.com, Inc.

RESOLVED, shareholders of Amazon 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 Amazon used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Amazon is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Amazon's website.

SUPPORTING STATEMENT: Full disclosure of Amazon's lobbying activities and expenditures is needed to assess whether its lobbying is consistent with Amazon's expressed goals and shareholders' best interests. Amazon spent \$121,820,000 on federal lobbying from 2015–2022. Amazon also lobbies extensively at the state level.¹ Amazon also lobbies abroad, being accused of shadow lobbying² and spending between €2,750,000–2,999,999 on lobbying in Europe for 2022.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity.³ Amazon lists support of \$10,000 or more to 588 trade associations (TAs), social welfare groups (SWGs) and nonprofits for 2022, yet fails to disclose its payments, or the amounts used for lobbying. Amazon belongs to the Chamber of Commerce and Business Roundtable (BRT), which have spent over \$2.2 billion on lobbying since 1998, supports SWGs that lobby like the National Taxpayers Union⁴ and Taxpayers Protection Alliance,⁵ and funds controversial nonprofits like giving \$400,000 to the Independent Women's Forum,⁶ which has drawn scrutiny for "using anti-trans scaremongering" to oppose the Equal Rights Amendment.⁷

Amazon's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. Amazon strives to be the "Earth's Best Employer," yet has attracted scrutiny for lobbying against workers' right to organize.⁸ Amazon cofounded the Climate Pledge, yet the BRT lobbied against the Inflation Reduction Act,⁹ and the Chamber reportedly has been a "central actor" in dissuading climate legislation over a two-decade period.¹⁰ Amazon has drawn scrutiny for avoiding federal income taxes,¹¹ the BRT has lobbied against a new minimum corporate tax.¹² And Amazon does not belong to the American Legislative Exchange Council¹³ but is represented by the Chamber¹⁴ and NetChoice,¹⁵ which each sit on its Private Enterprise Advisory Council.

Amazon should expand its lobbying disclosure.

1. <https://www.reuters.com/investigates/special-report/amazon-privacy-lobbying/>
2. <https://www.politico.eu/article/big-tech-companies-face-potential-eu-lobbying-ban/>
3. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>
4. <https://www.opensecrets.org/news/2021/06/dark-money-groups-battle-efforts-to-limit-big-tech/> ; <https://time.com/6182329/the-strange-coalition-in-congress-poised-to-score-a-major-win-against-big-tech/>
5. <https://www.bloomberg.com/news/articles/2022-08-03/big-tech-political-ad-spend-passes-pharmaceutical-industry> ; https://popular.info/p/donut-break-journalism?utm_source=substack&utm_medium=email
6. <https://www.cnbc.com/2022/10/27/amazon-donated-to-nonprofit-that-opposed-new-antitrust-bills.html>
7. <https://truthout.org/articles/dark-money-womens-groups-are-using-anti-trans-scaremongering-to-oppose-era/>
8. <https://perfectunion.us/amazons-lobbyist-spending-breaks-record-amid-anti-union-drive/> ; <https://news.bloomberglaw.com/daily-labor-report/amazon-poaches-top-business-labor-lobbyists-amid-worker-activism>
9. <https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable>
10. <https://www.washingtonpost.com/politics/2023/08/02/climate-group-pushes-big-tech-exit-nations-largest-business-lobby/>
11. <https://itep.org/amazon-has-record-breaking-profits-in-2020-avoids-2-3-billion-in-federal-income-taxes/>
12. <https://www.washingtonpost.com/business/2023/08/14/biden-corporate-tax/>
13. <https://www.exposedbycmd.org/2022/07/27/abandoning-free-market-and-liberty-principles-alec-takes-on-woke-capitalism-bodily-autonomy-and-more-at-its-annual-meeting/>
14. <https://ohiocapitaljournal.com/2023/09/06/coming-soon-in-ohio-alec-releases-new-raft-of-model-legislation/>
15. <https://readsludge.com/2023/10/03/alec-gala-will-face-protest-from-pro-democracy-groups/>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Meta (Facebook Inc.)

RESOLVED, shareholders request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Meta used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Meta is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Meta's website.

SUPPORTING STATEMENT: Full disclosure of Meta's lobbying activities and expenditures is needed to assess whether its lobbying is consistent with Meta's expressed goals and shareholders' best interests. In aggregate, Meta spent \$127,622,000 from 2014–2022 on domestic federal lobbying. Meta also lobbies abroad, spending between €8,000,000–8,999,999 on lobbying in Europe for 2022.

Yet, Meta does not itemize how its lobbying payments are distributed to the 178 trade associations, social welfare groups (SWGs) and nonprofits listed on its website. This includes SWGs that lobby like the American Edge Project¹ and National Taxpayers Union,² and controversial nonprofits like the Competitive Enterprise Institute (CEI),³ Federalist Society,⁴ and State Policy Network. Industry peers such as Microsoft, Cisco and PayPal all disclose payment amounts used for lobbying.

Meta's lack of disclosure presents reputational risk when it hides payments to dark money SWGs or contradicts company public positions. Meta has drawn attention for funding "dark money groups" to oppose antitrust regulation.⁵ Some EU lawmakers have called for a ban on Meta engaging with EU institutions due to "shady lobbying."⁶ Meta supports privacy in public statements but lobbied to weaken privacy rules in the states.⁷ Meta's lobbying has attracted heightened scrutiny and criticism in the wake of leaked internal documents indicating that the company has misled Congress, the public and securities regulators about risks to users, particularly youth.⁸ Meta has a Net Zero goal to address climate change, but continues to support CEI which is described as a "climate denialist think tank."⁹

We urge Meta to expand its disclosure of its lobbying and public policy advocacy.

1. <https://www.cnbc.com/2023/05/01/facebook-primary-donor-group-antitrust-fight.html>.
2. <https://www.foxbusiness.com/politics/scott-brown-competitiveness-coalition-congressional-overreach-tech-industry> ; <https://www.bloomberg.com/news/articles/2022-07-14/amazon-secretly-funds-new-coalition-opposing-tech-regulation>.
3. <https://www.nytimes.com/2019/07/10/climate/nyt-climate-newsletter-cei.html>.
4. <https://www.cnbc.com/2021/01/15/federalist-society-under-fire-after-leader-spoke-at-pro-trump-rally-before-riot.html>.
5. <https://www.opensecrets.org/news/2021/06/dark-money-groups-battle-efforts-to-limit-big-tech/>.
6. <https://www.politico.eu/article/big-tech-companies-face-potential-eu-lobbying-ban/>
7. https://www.theregister.com/2022/05/27/big_tech_privacy/.
8. <https://www.bloomberg.com/news/articles/2021-10-21/facebook-spends-5-1-million-on-lobbying-as-leaks-shine-light>.
9. <https://prospect.org/power/2023-07-17-climate-denialist-think-tank-ftc/>.

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Ameriprise Financial, Inc.

Similar resolutions were submitted to Abbott Laboratories, AbbVie, Boeing Company, Caterpillar Inc., Charter Communications, Inc., Cummins Inc., Eli Lilly and Company, and Verizon Communications Inc.

RESOLVED, the shareholders of Ameriprise Financial ("Ameriprise") 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 Ameriprise 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. Ameriprise's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Ameriprise is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Nominating and Governance Committee and posted on Ameriprise's website.

SUPPORTING STATEMENT: Full disclosure of Ameriprise's lobbying activities and expenditures is needed to assess whether Ameriprise's lobbying is consistent with its expressed goals and shareholders' interests. Ameriprise spent

\$22,420,000 from 2010–2022 on federal lobbying. This does not include state lobbying, where Ameriprise also lobbies but disclosure is uneven or absent.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending "at least double what's publicly reported."¹ Ameriprise fails to disclose its memberships in or payments to trade associations and social welfare groups, or the amounts used for lobbying, to shareholders. Ameriprise reportedly² belongs to the Business Roundtable, Securities Industry and Financial Markets Association and US Chamber of Commerce, which together spent \$108,090,000 on federal lobbying for 2022.

Ameriprise's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Ameriprise publicly supports addressing climate change, yet the Business Roundtable opposed the Inflation Reduction Act and its historic investments in climate action³ and the Chamber reportedly has been a "central actor" in dissuading climate legislation over a two-decade period.⁴ And while Ameriprise does not belong to or support the American Legislative Exchange Council, which is attacking "woke" investing,⁵ it is represented by its trade association, with the Chamber sitting on its Private Enterprise Advisory Council.⁶

Reputational damage stemming from these misalignments could harm shareholder value. Ameriprise should expand its lobbying disclosure.

1. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>

2. <https://financemap.org/financialgroup/Ameriprise-Financial-7134430>

3. <https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable>

4. <https://www.washingtonpost.com/politics/2023/08/02/climate-group-pushes-big-tech-exit-nations-largest-business-lobby/>

5. <https://www.wbur.org/herinandnow/2023/03/22/esg-investing-fossil-fuels>

6. <https://ohiocapitaljournal.com/2023/09/06/coming-soon-in-ohio-alec-releases-new-raft-of-model-legislation/>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Dine Brands Global, Inc.

RESOLVED, the shareholders of Dine Brands ("Dine") request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

Payments by Dine used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient. Dine's membership in and payments to any tax-exempt organization that writes and endorses model legislation. Description of management's decision-making process and the Board's oversight for making payments described above. For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Dine is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state, and federal levels.

The report shall be presented to the Nominating and Corporate Governance Committee and posted on Dine's website.

SUPPORTING STATEMENT: Dine does not currently report on the full extent of its lobbying efforts. Dine spent \$860,000 from 2021 to 2023 on federal lobbying,¹ primarily on federal legislation concerning the rights and protections for workers, including in the restaurant sector, such as the Protecting the Right to Organize Act of 2023, the Employee Rights Act, the Federal Trade Commission Franchise Rule, and the National Labor Relations Board Joint Employer Rule.² However, without further disclosure, shareholders cannot discern Dine's lobbying position on these bills and whether those lobbying activities align with Dine's stated values and commitments.³

Additionally, Dine does not disclose any lobbying expenditures at the state level. Companies can give unlimited amounts to third party groups and spend millions on lobbying and undisclosed grassroots activity.⁴ However, Dine does not disclose a list of trade association memberships and related indirect lobbying expenditures through those organizations.

This lack of disclosure means that Dine has fallen behind its peer companies which could create significant reputational risk for the company. Darden⁵, McDonald's⁶, and Yum Brands⁷, amongst other peer companies, have all adopted political contributions policies and annually disclose their corporate contributions and expenditures, as well as their trade association memberships.

In its 2022 Sustainability Report, Dine states that "our long-term success is intimately linked to the growth occurring in the neighborhoods and communities we serve" which is further supported by the priority issues identified in its materiality matrix.⁸ Full disclosure of Dine's lobbying activities and expenditures is needed to assess both the extent to which the company is lobbying and whether its lobbying activities and expenditures are consistent with its expressed goals, priority issues, and shareholder and stakeholder interests.

1. https://lda.senate.gov/filings/public/filing/search/?registrant=®istrant_country=®istrant_ppb_country=&client=Dine+Brands&client_state=&client_country=&client_ppb_country=&lobbyist=&lobbyist_covered_position=&lobbyist_conviction_disclosure=&lobbyist_conviction_date_range_from=&lobbyist_conviction_date_range_to=&report_period=&report_year=&report_dt_posted_from=&report_dt_posted_to=&report_amount_reported_min=&report_amount_reported_max=&report_filing_uuid=&report_house_doc_id=&report_issue_area_description=&affiliated_organization=&affiliated_organization_country=&foreign_entity=&foreign_entity_country=&foreign_entity_ppb_country=&foreign_entity_ownership_percentage_min=&foreign_entity_ownership_percentage_max=&search=search
2. <https://projects.propublica.org/represent/lobbying/301030226>
3. <https://www.dinebrands.com/-/media/dinebrands/files/2022-dine-brands-esg-report-5523.pdf>
4. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>
5. <https://investor.darden.com/governance/political-advocacy-expenditures/default.aspx>
6. <https://corporate.mcdonalds.com/corpmcid/investors/corporate-governance/political-contributions-and-policy.html>
7. <https://investors.yum.com/governance/governance-documents/>
8. <https://www.dinebrands.com/-/media/dinebrands/files/2022-dine-brands-esg-report-5523.pdf>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Starbucks Corp.

RESOLVED: Starbucks shareholders, including James McRitchie, request preparation of a report, updated annually, disclosing:

- Company policy and procedures governing lobbying, direct, indirect, and grassroots lobbying communications.
- Payments by Starbucks used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
- Starbucks' membership in and payments to any tax-exempt organization that writes and endorses model legislation.
- Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation, and (c) encourages the recipient of the communication to take action concerning the legislation or regulation. "Indirect lobbying" is lobbying by a trade association or other organization of which Starbucks is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state, and federal levels.

The report shall be presented to the Public Policy and Strategy Committee and posted on Starbucks' website.

SUPPORTING STATEMENT: Full disclosure of Starbucks' lobbying activities and expenditures is needed to assess whether Starbucks' lobbying is consistent with its expressed goals and shareholder interests. Starbucks spent \$12,490,000 from 2010–2022 on federal lobbying. This does not include state lobbying, where Starbucks also, for example, spent over \$1.3 million in California from 2010–2022 and drawing attention for spending millions to oppose a California wage law.¹

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity. These groups may be spending "at least double what's publicly reported."² Starbucks does not disclose its payments to trade associations and social welfare groups (SWGs) or the amounts used for lobbying and only discloses four trade association memberships, including the Business Roundtable (BRT), National Restaurant Association (NRA) and Retail Industry Leaders Association (RILA). The disclosure leaves out trade associations like the National Retail Federation, which reports Starbucks is a member,³ and all SWGs.

Starbucks' lack of disclosure presents reputational risks when its lobbying contradicts the Company's public positions. For example, Starbucks believes in putting "our partners (employees) first." Yet, the RILA spends millions lobbying against union and worker rights,⁴ the NRA and Starbucks lobbied to block state wage laws,⁵ and the NRA and RILA contribute to anti-union SWGs like the Job Creators Network.⁶ Starbucks states it is committed to cutting its climate footprint in half by 2030. Yet, the BRT opposed the Inflation Reduction Act and its historic investments in climate action.⁷

Reputational damage stemming from these misalignments could harm shareholder value. Starbucks should expand its lobbying disclosure.

Enhance Shareholder Value, Vote FOR Lobbying Disclosure – Proposal [4*]

1. <https://www.restaurantbusinessonline.com/workforce/restaurant-chains-pour-money-kill-californias-fast-food-wage-act>.
2. <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.
3. <https://nrf.com/blog/8-retailers-keeping-earth-day-alive-through-commitment-sustainability>.
4. <https://inthesetimes.com/article/union-busters-starbucks-labor-buffalo>.
5. <https://www.fastcompany.com/90819939/the-fast-food-industry-just-proved-how-easy-it-is-to-hijack-californias-referendum-process>.
6. <https://truthout.org/articles/longtime-astroturf-firm-observes-funders-as-it-targets-starbucks-union/>.
7. <https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable>; <https://popular.info/p/corporations-versus-the-climate>

Proxy Resolutions: Lobbying and Political Contributions

For the full list of investors who filed this resolution, see the Index on p. 244.

Lobbying Expenditures Disclosure

Philip Morris International

WHEREAS, we believe in full disclosure of Philip Morris International's ("PMI") direct and indirect lobbying activities and expenditures to assess whether the company's lobbying is consistent with its expressed goals and in shareholders' best interests.

RESOLVED, the shareholders of Philip Morris International request the preparation of a report, updated annually, disclosing:

List of PMI payments for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including the amount of the payment and recipient at the local, state (in the United States) and country levels. Company policy and procedures governing grassroots lobbying communications. The report shall be presented to the Nominating and Corporate Governance Committee and posted on PMI's website.

SUPPORTING STATEMENT: The tobacco industry's longstanding role working to block laws and regulations that would protect citizens' health is well documented around the world.¹ We believe PMI faces considerable reputational risk if it is not fully transparent about the lobbying it does and positions it promotes, especially related to tobacco. Companies like Altria have recently expanded their public reporting on lobbying they do directly and through third parties like trade associations.

Philip Morris International does not disclose its payments to trade associations and social welfare organizations, or amounts for lobbying at the country level and (in the case of the United States, state levels), including grassroots lobbying. Grassroots lobbying does not get reported in the United States under the federal Lobbying Disclosure Act, and disclosure is uneven or absent in states.

PMI recently expanded its lobbying activities in the US at the state level, since being authorized by the FDA to market its heated tobacco product IQOS in the US.

Controversy followed PMI's establishment in 2017 and full funding of the 501c3 Foundation for a Smoke-Free World. Research by the University of Bath's Tobacco Control Research Group found that much of the Foundation's work "produced research and opinion which supports tobacco industry interests by side-lining evidence-based tobacco control measures and endorsing interventions which ensure the sale of industry products; advocating for tobacco industry involvement in science and policymaking; and misrepresenting evidence on tobacco and nicotine products." PMI made its final grant payment of US\$122.5 million to the Foundation in September 2023.²

The Secretariat for WHO's Framework Convention on Tobacco Control, in preparation for the November 2023 Conference of Parties to the Convention "noted with concern that some Parties have been approached by the tobacco and other industry representatives, to offer travel and technical support, including advisors, for their official delegations" and to "remain vigilant in respect of any offer of support received from the tobacco industry."³ The Guardian reported that PMI "is waging a big lobbying campaign to prevent countries from cracking down on vapes and similar products"⁴ for the Session.

We support greater transparency of PMI's lobbying expenditures and activities in order to mitigate potential reputation and misalignment risks.

1. <https://www.uicc.org/news/tobacco-industry-interference-policy-decisions-undermines-effective-control>, https://ncdalliance.org/sites/default/files/resource_files/NCDs_and_tobacco_Industry.pdf, <https://www.phrp.com.au/issues/online-early/how-tobacco-companies-use-the-revolving-door-between-government-and-industry-to-influence-policy-making-an-australian-case-study/>

2. <https://tobaccocontrol.bmjjournals.org/content/early/2023/05/02/tc-2022-057667>

3. <https://fctc.who.int/newsroom/news/item/14-08-2023-call-for-parties-to-remain-vigilant-in-preparation-for-the-cop10-and-the-mop3>

4. <https://www.theguardian.com/business/2023/oct/12/philip-morris-lobbying-to-stop-who-attack-on-vapes-and-similar-products>

Shareholder Advocacy

Shareholder advocacy covers a wide spectrum of tactics used by investors to influence the companies they own on questions of corporate social responsibility (CSR). Levels of advocacy can range from proxy voting in favor of shareholder-sponsored resolutions to direct engagement of management in investor dialogues; the intensity of engagement depends on the priorities and resources of the investor.

What is implicit in this work, however, is an acknowledgement of the responsibility that comes with stock ownership to ensure that management is doing what it can to improve its performance both financially and in terms of environmental, social and governance (ESG) measures, as this has direct implications throughout corporate global supply chains, and for communities where companies operate.

Visit ICCR's website (www.iccr.org) for more information on shareholder advocacy.

What is a Shareholder Resolution?

Every year beginning roughly in March, American corporations begin sending out proxy statements to their shareholders. Proxy statements list all the resolutions scheduled for a vote at a company's upcoming shareholder meeting, both those proposed by management, and those proposed by shareholders. Roughly one page in length, these resolutions contain a formal resolved clause, which is a specific request or "ask", with a number of carefully-researched rationales in the form of "whereas clauses" and supporting statements. The timetable for soliciting votes for the annual meeting depends largely on a company's meeting date, which usually is determined by the board of directors.

Proxy statements also include important information that the Securities and Exchange Commission (SEC) requires corporations to provide to



their shareholders, such as corporate governance and financing information, like nominations for the board of directors, proposed incentive structures, or capitalization plans.

Shareholders are part-owners of companies, and as such they have the right to participate in annual general meetings (AGMs) where key decision-making takes place. Therefore, any shareholder who has held at least one share of company stock for at least two months or more may vote on resolutions, either in person at the company's annual meeting, or via a proxy ballot, which can be done online using special voting websites like <https://central.proxyvote.com/pv/web>, or by mail. It is important to note that **proxy voting is the primary forum by which management seeks affirmation of its actions**. At the same time, it is the primary method investors use to reach out to other shareholders for support of their resolutions.

We urge all investors to carefully review the company proxy statements you receive in the mail and exercise your shareholder rights by voting.

Who Can File a Shareholder Resolution?

Any shareholder owning \$25,000 in shares for at least a year (or \$15,000 for two years, or \$2,000 for three years) can introduce a proposal. Shareholder-sponsored resolutions must be filed with companies' corporate secretaries by specific dates in order to be placed on the company proxy ballot.

What are the Guidelines for Writing a Shareholder Resolution?

The text of a resolution may not exceed 500 words (including any accompanying statement of support) and it may not contain any materially false or misleading statements. The matter addressed in the shareholder proposal must be "relevant" — i.e., it must relate to at least 5 percent of the company's total assets and at least 5 percent of its net earnings and gross sales for the most current fiscal year. A shareholder proposal may be excluded from the proxy statement if it conflicts with a resolution put forward by another investor on the same subject, or if the company has already substantially implemented the proposal.

The proposal may not advocate action that would be improper under the laws of the state in which the company is organized or incorporated. Some states consider it improper for shareholders to issue mandates to boards of directors. (However, the SEC usually interprets shareholder proposals to be recommendations or requests rather than mandates.) The proposal may not recommend action that would violate any state, federal, or foreign law, nor can it call for action that the company has no power or authority to implement.

Corporate management can ask the SEC for permission to exclude a proposal that does not conform to all requirements. Indeed, every year, a few dozen corporations use the process outlined by the SEC to attempt to exclude shareholder

resolutions—and the issues raised therein—from their proxy ballots. Filers have the right to appeal a company's SEC challenge, however, and usually do so through legal counsel. The SEC staff then adjudicate between the competing arguments. The rules governing these decisions can be found on the SEC website: <http://www.sec.gov/interp/legal/cfslb14.htm>

What Does it Take to Get a Resolution Adopted?

At a company's annual meeting one of the filers (or a designee) must make a motion from the floor to put the resolution to a vote (each Class A share gets one vote). In some cases, there must also be someone present to second the motion.

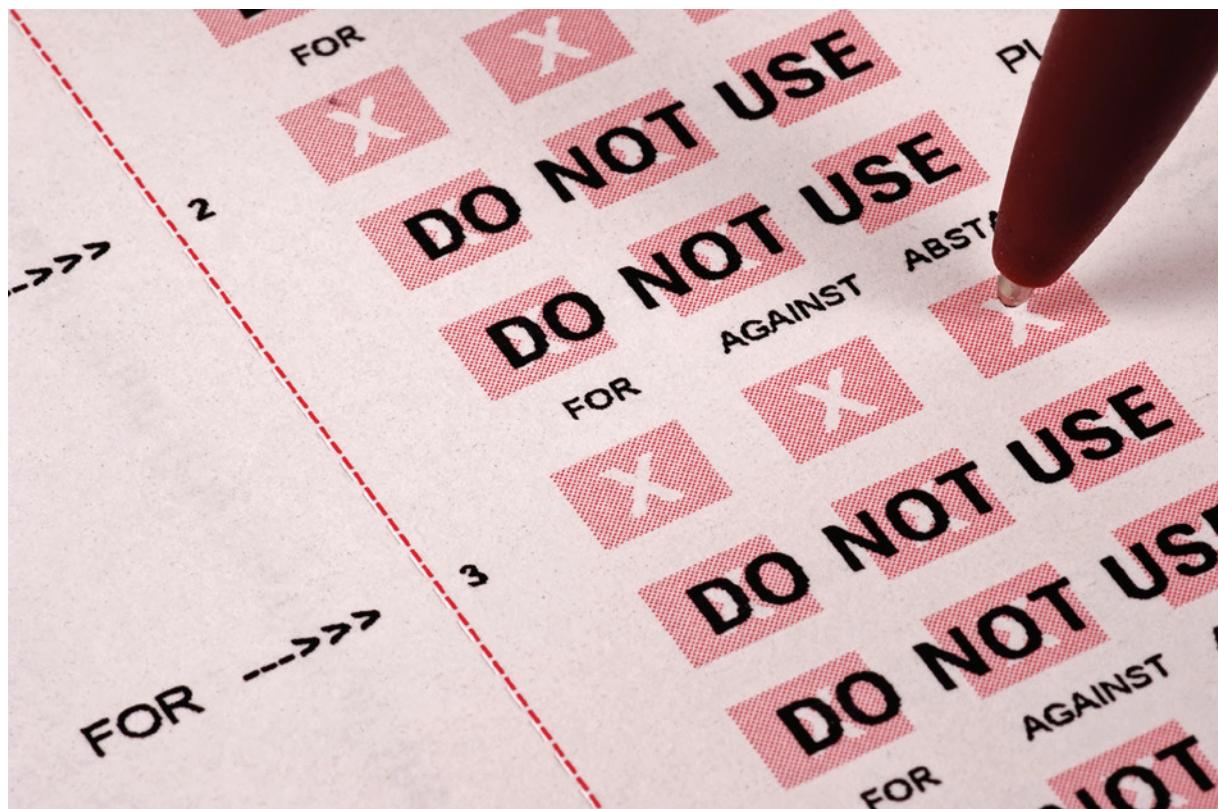
While a proposal must garner at least 51 percent of the shareholder vote to pass, votes in excess of 25 percent are generally considered very successful in focusing investor and management attention on issues. A resolution must get at least 5 percent of the vote in its first year, 15 percent of the vote in its second year, and 25 percent in its third year, and every year thereafter, to be eligible to remain on the ballot. This gives investors multiple opportunities to argue the merits of the proposal to the board and management as well as fellow shareholders. Investor outreach to build the case for a given proposal is key and this is typically done via proxy exempt solicitations which allow for a more fulsome argumentation in support of a proposal and are filed on the SEC's EDGAR platform.

It should be noted that majority votes for a shareholder proposal, while much more common in recent years, are difficult to achieve. Most diversified investors are not voting their proxies themselves but leave this activity in the hands of their fund managers. Depending on the share structure of a company, management and/or company founders may also retain a controlling stock position making a majority vote for a shareholder-sponsored proposal difficult to achieve.

What if All My Investments are in Mutual Funds?

Mutual funds have the clout to hold the companies in their portfolios accountable. Furthermore, they have a duty to do so. As companies which fail to address corporate responsibility and sustainability are at risk for financial losses, lawsuits, and insurance problems, mutual funds are compelled to act responsibly to ensure that the companies in their portfolios minimize risk. But many mutual funds fall far short of addressing investor concerns.

As a first step, you should find out how your mutual funds vote. Because a fund's Form N-PX filing with the SEC is publicly available, you can find proxy voting record information for a mutual fund by searching the SEC's EDGAR database (<https://www.sec.gov/edgar>). This information is also available in mutual funds' semi-annual and annual reports to shareholders. You may also want to contact the financial managers who run your mutual funds directly, and request their voting records and policies on voting shareholder resolutions. You can then encourage them to vote for ESG resolutions.



Resolution Leads and Co-Filers

* Denotes lead sponsor of the resolution

3M COMPANY

Fair Treatment of Shareholder Nominees

*Corporate Governance

3M COMPANY

Racial Equity Audit

*Whistle Stop Capital, LLC

ABBOTT LABORATORIES

Fair Treatment of Shareholder Nominees

*Corporate Governance

ABBOTT LABORATORIES

Lobbying Expenditures Disclosure

*Province of St. Joseph of the Capuchin Order
(Midwest Capuchins)

ABBVIE

Lobbying Expenditures Disclosure

*Zevin Asset Management, Dana Investment
Advisors, Miller/Howard Investments

ABBVIE

Patents and Access

*Friends Fiduciary Corporation, Bon Secours
Mercy Health, CommonSpirit Health, Grand
Rapids Dominicans, Mercy Investment Services,
NEI Investments, Northwest Coalition for
Responsible Investment, Providence St. Joseph
Health, Sisters of Charity of St. Elizabeth, NJ,
Sisters of St. Francis of Philadelphia, Trinity
Health

ADOBE SYSTEMS INCORPORATED

Eliminating Discrimination through Inclusive Hiring

*NorthStar Asset Management

ADVANCED MICRO DEVICES, INC.

Right of Shareholders to Call Special Meetings

*Corporate Governance

AGILENT TECHNOLOGIES

Annual Board Election

*Corporate Governance

ALCOA INC. (ALUMINUM COMPANY OF AMERICA)

Lobbying Expenditures Disclosure

*John Chevedden

ALIGN TECHNOLOGY INC.

Environmental and Health Risks Associated with Chemicals in Company Products

*The Sustainability Group at Loring Wolcott &
Coolidge

ALIGN TECHNOLOGY INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow

ALPHABET, INC.

AI Principles and Board Oversight

*Trillium Asset Management, Benedictine Sisters
of Baltimore - Emmanuel Monastery, Benedictine
Sisters of Mount St. Scholastica, Bon Secours
Mercy Health, Congregation of St. Joseph, OH

ALPHABET, INC.

Assessing Systemic Climate Risk from Retirement Plan Options

*As You Sow

ALPHABET, INC.

Child Safety Online

*Boston Common Asset Management, LLC

ALPHABET, INC.

Give Each Share an Equal Vote

*NorthStar Asset Management

ALPHABET, INC.

Lobbying Expenditures Disclosure

*United Church Funds

ALPHABET, INC.

Paris-Aligned Climate Lobbying - Framework

*Zevin Asset Management

ALPHABET, INC.

Report on Generative Artificial Intelligence Misinformation and Disinformation Risks

*Arjuna Capital, Eko, Open MIC

Resolution Leads and Co-Filers

ALPHABET, INC.

Report on Human Rights Impact of AI Driven Advertising Practices

*Shareholder Association for Research and Education (SHARE), Adrian Dominican Sisters, CommonSpirit Health, Mercy Investment Services

ALTRIA GROUP, INC.

Political Contributions Misalignment

*Trinity Health, Bon Secours Mercy Health, CommonSpirit Health, Congregation of Sisters of St. Agnes, Congregation of St. Joseph, OH, Mercy Investment Services, Providence St. Joseph Health, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Francis of Philadelphia

ALTRIA GROUP, INC.

Producer Responsibility for Cigarette Butts

*As You Sow

AMAZON.COM, INC

Customer Due Diligence

*American Baptist Home Mission Societies, Benedictine Sisters of Baltimore - Emmanuel Monastery, Maryknoll Sisters, Missionary Oblates of Mary Immaculate, Sisters of Charity of St. Elizabeth, NJ

AMAZON.COM, INC

Disclose Material Scope 3 GHG Emissions

*Amalgamated Bank, *Unspecified

AMAZON.COM, INC

Gender and Racial Pay Gap

*Arjuna Capital, Daughters of Charity, Province of St Louise, Marguerite Casey Foundation, Proxy Impact

AMAZON.COM, INC

Human Rights Impact of AI Deployment

*AFL-CIO, Adrian Dominican Sisters, Mercy Investment Services

AMAZON.COM, INC

Living Wage Disclosure

*Zevin Asset Management, Benedictine Sisters of Baltimore - Emmanuel Monastery, Dana Investment Advisors, Everence, Monasterio Pan de Vida

AMAZON.COM, INC

Lobbying Expenditures Disclosure

*Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Benedictine Sisters of Baltimore - Emmanuel Monastery, Benedictine Sisters of Mount St. Scholastica, Monasterio Pan de Vida

AMAZON.COM, INC

Paris-Aligned Climate Lobbying - Framework

*Newground Social Investment

AMAZON.COM, INC

Reduce Plastics Use

*As You Sow

AMAZON.COM, INC

Respect for Freedom of Association and Collective Bargaining

*Shareholder Association for Research and Education (SHARE)

AMAZON.COM, INC

Workplace Health and Safety Audit

*Tulipshare Ltd., Hill-Snowdon Foundation

AMERICAN EXPRESS CO.

Paris-Aligned Lobbying - Net Zero Assessment

*Corporate Governance

AMERICAN INTERNATIONAL GROUP, INC. (AIG)

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*Presbyterian Church (USA), *Unspecified, Mercy Investment Services, Monasterio Pan de Vida, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, United Church Funds

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*Seattle City Employees' Retirement System, Adrian Dominican Sisters, BNP Paribas Asset Management, Bon Secours Mercy Health, Mercy Investment Services

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Climate Transition Plan and GHG Reduction Goals

*New York State Common Retirement Fund, Mercy Investment Services

SPIRIT AEROSYSTEMS

Political Contributions

*John Chevedden

SPROUTS FARMERS MARKET INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*Amalgamated Bank

STARBUCKS CORP.

Biodiversity Impact Assessment

*Vancity Investment Management Ltd.

STARBUCKS CORP.

Lobbying Expenditures Disclosure

*Corporate Governance

STATE STREET CORPORATION

Proxy Voting Alignment

*United Church Funds, Corporate Governance, Sisters of St. Benedict

STRYKER CORPORATION

Political Contributions

*John Chevedden

STURM RUGER AND COMPANY, INC.

Prioritization Public Health Impacts Associated with Products

*CommonSpirit Health, Adrian Dominican Sisters, Bon Secours Mercy Health, Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise, Mercy Investment Services, Sisters of Bon Secours USA, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church, Trinity Health

T-MOBILE USA (SUBSIDIARY OF DEUTSCHE TELEKOM)

Disclosure of Health and Safety Violation Prevention Measures

*AFL-CIO

T. ROWE PRICE ASSOCIATES, INC.

Ascertain Client Voting Preferences

*Corporate Governance

Resolution Leads and Co-Filers

TARGET CORP.

Measuring Pesticide Use in Agricultural Supply Chains

*Mercy Investment Services, Adrian Dominican Sisters, Benedictine Sisters of Mount St. Scholastica, Congregation of St. Joseph, OH, Providence St. Joseph Health

TARGET CORP.

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

*The Shareholder Commons

TESLA INC.

Adopt a Non-Interference Policy Respecting Freedom of Association

*SOC Investment Group, Domini Impact Investments LLC

TESLA INC.

Annual Board Election

*Corporate Governance

TESLA INC.

Deep Sea Mining Disclosure

*As You Sow

TESLA INC.

Workplace Culture: Concealment Clauses

*New York State Common Retirement Fund, Amalgamated Bank, Arjuna Capital, Nia Impact Capital

TEXAS INSTRUMENTS INC.

Climate Transition Plan and GHG Reduction Goals

*Vermont Pension Investment Commission, Arjuna Capital

TEXAS INSTRUMENTS INC.

Human Rights and Material Risks Related to the Russian Invasion of Ukraine

*Friends Fiduciary Corporation, Mercy Investment Services

TEXAS ROADHOUSE, INC.

Climate Transition Plan and GHG Reduction Goals

*Boston Trust Walden

THE COCA-COLA COMPANY

Assess and Mitigate Potential Health Harms from Non-Sugar Substitutes

*CommonSpirit Health, Benedictine Sisters of Mount St. Scholastica, Congregation of Benedictine Sisters, Boerne TX, Sisters of Charity of St. Elizabeth, NJ, Sisters of Charity of the Blessed Virgin Mary, Sisters of St. Francis-Dubuque, Sisters of St. Joseph of Peace, WA, Trinity Health

THE COCA-COLA COMPANY

Enterprise Policy on Healthiness of Products

*Achmea

THE COCA-COLA COMPANY

Workplace Culture: Concealment Clauses

*Nathan Cummings Foundation

THE TRAVELERS COMPANIES, INC.

Human Rights Risk Report

*Trillium Asset Management

THE TRAVELERS COMPANIES, INC.

Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

*As You Sow

THERMO FISHER SCIENTIFIC INC.

Human Rights Impact Assessment

*Azzad Asset Management, Benedictine Sisters of Mount St. Scholastica

TJX COMPANIES, INC.

Climate Transition Plan and GHG Reduction Goals

*Boston Common Asset Management, LLC

TJX COMPANIES, INC.

Human Rights Due Diligence within Supply Chain

*NorthStar Asset Management

TJX COMPANIES, INC.

Paid Sick Leave Policy

*Figure 8 Investment Strategies

TORONTO-DOMINION BANK

Executive Compensation

*Vancity Investment Management Ltd.

TORONTO-DOMINION BANK

Transition Planning

*Investors for Paris Compliance, AP7 Seventh Swedish National Pension Fund, Nomura Asset Management U.S.A Inc., Vancity Investment Management Ltd.

TRIPADVISOR, INC.

Assess Effectiveness of Human Rights Policy Implementation

Resolution Leads and Co-Filers

*Mercy Investment Services, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church

TRUIST FINANCIAL

Lobbying Expenditures Disclosure

*John Chevedden

TYSON FOODS, INC.

Circular Economy for Packaging

*As You Sow

TYSON FOODS, INC.

End Child Labor in the Value Chain

*American Baptist Home Mission Societies, Benedictine Sisters of Mount St. Scholastica, Presbyterian Church (USA), Sisters of Bon Secours USA, Sisters of St. Francis of Philadelphia, Sisters of St. Joseph of Peace, WA, Trinity Health

TYSON FOODS, INC.

Paris-Aligned Lobbying - Net Zero Assessment

*CommonSpirit Health, Adrian Dominican Sisters, Mercy Investment Services

UBER TECHNOLOGIES INC.

Report on Driver Health and Safety

*Achmea

UNION PACIFIC CORPORATION

Just Climate Transition Report

*Mercy Investment Services

UNION PACIFIC CORPORATION

Paid Sick Leave Policy

*Trillium Asset Management, Parnassus Investments

UNION PACIFIC CORPORATION

Railroad Safety Committee

*AFL-CIO

UNITED AIRLINES HOLDINGS, INC.

Loss and Damage Fund for Climate Harms

*Eko

UNITED PARCEL SERVICE, INC.

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*As You Sow

UNITEDHEALTH GROUP INC.

AI Transparency Report

*Shareholder Association for Research and

Education (SHARE)

UNITEDHEALTH GROUP INC.

Impact of Racial and Ethnic Disparities in UHG's business

*Mercy Investment Services, Friends Fiduciary Corporation, Sisters of Charity of St. Elizabeth, NJ, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church

UPWORK INC.

Annual Board Election

*Corporate Governance

VALERO ENERGY CORPORATION

Emissions Target and Carbon Offset Policy

*As You Sow

VALERO ENERGY CORPORATION

Racial Equity Audit

*Service Employees International Union (SEIU)

VALMONT INDUSTRIES, INC.

Disclose Consolidated EEO-1 Report

*Boston Trust Walden

VERACYTE, INC.

Fair Treatment of Shareholder Nominees

*Corporate Governance

VERIZON COMMUNICATIONS INC.

Cease Political Contributions

*Trillium Asset Management

VERIZON COMMUNICATIONS INC.

Disclosure of Health and Safety Violation Prevention Measures

*AFL-CIO

VERIZON COMMUNICATIONS INC.

Lobbying Expenditures Disclosure

*Zevin Asset Management, Benedictine Sisters of Mount St. Scholastica, Benedictine Sisters of Virginia

VERIZON COMMUNICATIONS INC.

Political Contributions Misalignment

*As You Sow, Benedictine Sisters of Mount St. Scholastica

VERTEX PHARMACEUTICALS INCORPORATED

Gender and Racial Pay Gap

*Arjuna Capital, Proxy Impact

Resolution Leads and Co-Filers

W.W. GRAINGER, INC.

Climate Transition Plan and GHG Reduction Goals

*Arjuna Capital

WABTEC

Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data

*Trillium Asset Management

WALGREENS BOOTS ALLIANCE

Discarded Cigarette Pollution

*Sisters of St. Francis of Philadelphia, CommonSpirit Health, Sisters of the Humility of Mary, OH, Trinity Health

WALGREENS BOOTS ALLIANCE

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

*The Shareholder Commons

WALMART STORES, INC.

Human Rights Impact Assessment

*Oxfam America, Congregation of Benedictine Sisters, Boerne TX, Congregation of St. Joseph, OH, Mercy Investment Services, Sisters of Charity of St. Elizabeth, NJ

WALMART STORES, INC.

Racial Equity Audit

*United for Respect, Adrian Dominican Sisters, CommonSpirit Health, Daughters of Charity, Province of St Louise

WALMART STORES, INC.

Set Compensation Policy that Optimizes Portfolio Value for Company Shareholders

*The Shareholder Commons

WALMART STORES, INC.

Workplace Safety Policy Assessment - Gun Violence

*United for Respect, Bon Secours Mercy Health

WARNER BROS.

AI Transparency Report

*AFL-CIO

WELLS FARGO & COMPANY

Lobbying Expenditures Disclosure

*John Chevedden, Reinders, McVeigh Capital Management

WELLS FARGO & COMPANY

Net Zero Sector Emissions Alignment Disclosure

*As You Sow, Adrian Dominican Sisters,

Daughters of Charity, Province of St Louise, Mercy Investment Services

WELLS FARGO & COMPANY

Paris-Aligned Lobbying - Net Zero Assessment

*Sisters of St. Francis Charitable Trust, School Sisters of Notre Dame Central Pacific Province

WELLS FARGO & COMPANY

Respect for Freedom of Association and Collective Bargaining

*AFL-CIO, Service Employees International Union (SEIU), United Church Funds

WELLS FARGO & COMPANY

Respect for Rights of Indigenous Peoples

*American Baptist Home Mission Societies, Maryknoll Sisters, Missionary Oblates of Mary Immaculate, Sisters of St. Joseph of Peace, WA

WENDY'S INTERNATIONAL, INC.

Racial Equity Audit

*Franciscan Sisters of Allegany, NY

WEST PHARMACEUTICAL SERVICES, INC.

Fair Treatment of Shareholder Nominees

*Corporate Governance

WESTLAKE CHEMICAL

Plan to Reduce Plastic Production

*As You Sow

WESTROCK INC.

Update Procurement Policy to Commit to Eliminating Deforestation

*Domini Impact Investments LLC

YELP INC

Fair Treatment of Shareholder Nominees

*Corporate Governance

YUM! BRANDS, INC.

Public Health Costs of Antimicrobial Resistance

*The Shareholder Commons

YUM! BRANDS, INC.

Reduce Plastics Use

*As You Sow

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Amalgamated Bank

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American Baptist Home Mission Societies

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Benedictine Sisters of Mount St. Scholastica

Mount St. Scholastica
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Benedictine Sisters of Virginia

Saint Benedict Monastery
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<https://www.bnpparibas-am.com/en/>

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513-952-5009; <https://bsmhealth.org/>

Boston Common Asset Management, LLC

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617-720-5557;
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Boston Trust Walden

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617-726-7250; <https://www.bostontrustwalden.com/>

Change Finance

Longmont, CO 80503
<https://change-finance.com/>

Christian Brothers Investment Services

777 Third Avenue, 29th Floor
New York, NY 10016
212-503-1930; <https://cbisonline.com/>

Clean Yield Asset Management

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<https://commonspirit.org/>

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San Antonio, TX 78220
210-348-6704

Congregation of Sisters of St. Agnes

320 County Road K
Fond du Lac, WI 54937-8158
920-907-2315; <https://www.csasisters.org/>

Congregation of St. Joseph, OH

3430 Rocky River Drive
Cleveland, OH 44111-2997

Corporate Governance

9295 Yorkship Court
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916-869-2402; <https://www.corpgov.net/>

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Brookfield, WI 53008-1067
972-717-2052; <http://www.danainvestment.com/>

Daughters of Charity, Province of St Louise

4330 Olive Street
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Domini Impact Investments LLC

180 Maiden Ln #1302
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Educational Foundation of America

c/o Intentional Philanthropy
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<https://www.theefa.org/>

Ekō

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574-533-9511

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115 East Main Street
St. Bonaventure, NY 14706

Friends Fiduciary Corporation

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Philadelphia, PA 19103
215-241-7272 x 100; <http://www.friendsfiduciary.org/>

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Washington, DC 20005

Investors for Paris Compliance

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John Chevedden

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Redondo Beach, CA 90278-2453

Marguerite Casey Foundation

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Seattle, WA 98101
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Maryknoll, NY 10545
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Contact Details for Filers

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570-366-1809; <https://www.mercyinvestmentservices.org/>

Miller/Howard Investments

The Fuller Building
45 Pine Grove Ave, Suite 301
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Missionary Oblates of Mary Immaculate

391 Michigan Avenue, NE
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202-483-0444

Monasterio Pan de Vida

Apdo. Postal 105-3 Torreon
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NEI Investments

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Alfred E. Smith Office Bldg.
Albany, NY 12236

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Seattle, WA 98109-4955
206-522-1944

Nia Impact Capital

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Nomura Asset Management U.S.A Inc.

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(212) 509-8181; <https://www.nomura.com/>

NorthStar Asset Management

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Northwest Coalition for Responsible Investment

c/o Intercommunity Peace and Justice Center
1216 NE 65th Street
Seattle, WA 98115-6724
206-223-1139; <http://www.ipjc.org>

Northwest Women Religious Investment Trust

PO Box 248
Bellevue, WA 98009

Open MIC

P.O. Box 29907
San Francisco, CA 94129-0907

Oxfam America

77 North Washington Street, Suite 500
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617-482-1211; <http://www.oxfamamerica.org>

Parnassus Investments

1 Market Street, Suite 1600
San Francisco, CA 94105
415-778-0200; <https://www.parnassus.com/>

PeaceHealth

1115 SE 164th Ave.
Vancouver, WA 98683
360-729-1000

Presbyterian Church (USA)

100 Witherspoon St., Rm 3046
Louisville, KY 40202-1396
502-569-5809

Providence St. Joseph Health

Treasury Services & Investments
1801 Lind Avenue SE
Renton, WA 98057-9016
425-525-5452

Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

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Contact Details for Filers

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Richmond, CA 94805

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St. Louis, MO 63125
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School Sisters of Notre Dame Collective Investment Fund

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Baltimore, MD 21204
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Seattle City Employees' Retirement System

720 Third Avenue
Seattle, WA 98104

Service Employees International Union (SEIU)

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Washington, DC 20036
312-206-6599

Shareholder Association for Research and Education (SHARE)

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Vancouver, BC V6E 3R5 CA
604-408-2456; <https://share.ca/>

Sierra Club Foundation

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Oakland, CA 94612-3050

Sisters of Bon Secours USA

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Marriottsville, MD 21104
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Sisters of Charity of St. Elizabeth, NJ

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Convent Station, NJ 07961
973-290-5402

Sisters of Charity of the Blessed Virgin Mary

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Sisters of Providence, Mother Joseph Province

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Seattle, WA 98104-2329

Sisters of St. Benedict

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Ferdinand, IN 47532
812-367-1411

Sisters of St. Francis Charitable Trust

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Dubuque, IA 52001
563-583-9786

Sisters of St. Francis of Philadelphia

609 S. Convent Rd.
Aston, PA 19014

Sisters of St. Joseph of Peace, NJ

399 Hudson Terrace
Englewood Cliffs, NJ 7632
201-568-6348 x21

Sisters of St. Joseph of Peace, WA

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Bellevue, WA 98009

Sisters of the Holy Cross, Indiana

Bertrand Hall - St. Mary's
Notre Dame, IN 46556-5000
219-284-5551

Sisters of the Humility of Mary, OH

2218 West Blvd.
Cleveland, OH 44102
216-961-3169

Sisters of the Order of St. Benedict, Rock Island

2200 88th Ave W
Rock Island, IL 61201

Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, SD

1500 North 2nd Street
Aberdeen, SD 57401-1238
605-229-8346; www.presentationssisters.org

Sisters of the Sorrowful Mother

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The Shareholder Commons

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<https://theshareholdercommons.com/>

Trillium Asset Management

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Tulipshare Ltd.

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<https://tulipshare.com/>

United Church Funds

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New York, NY 10115
<https://ucfunds.org/>

United Church of Canada

3250 Bloor Street West, Suite 200
Toronto, ON M8X 2Y4 CA
416-231-5931; <https://united-church.ca/>

United for Respect

3578 Grand Avenue, #14
Oakland, CA 94610
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USA Midwest Province of the Society of Jesus (Jesuits)

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(800) 537-3736; <https://www.jesuitsmidwest.org/>

Vancity Investment Management Ltd.

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Vermont Pension Investment Commission

Vermont State Treasurer's Office
Montpelier, VT 05609

Wespath Benefits and Investments

1901 Chestnut Avenue
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847-866-4325; <https://www.wespath.org/>

Whistle Stop Capital, LLC

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WHAT IS THE
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