RESOLUTION

For: Executive Council
From: The Joint Standing Committee on Finance
Date: October 27, 2023
Subject: EC CCSR Shareholder Engagement Work for 2023-2024

Resolved, that the Executive Council, meeting October 27, 2023, approves the 2023-2024 shareholder engagement work plan of the Executive Council Committee on Corporate Social Responsibility (CCSR) as set forth below; and be it further

Resolved, that the Executive Council reaffirms Resolution FIN 155 (October 2021), which in part says "…that, Shareholder engagements, attendance at annual meetings to put forward resolutions, and any other activities should be carried out exclusively by DFMS staff and/or consultants...".

CCSR Advocacy Plan 2023-2024

D = dialogue R = potential resolutions Rust= New Company Underlined= DFMS lead

Note 1: The 17 Sustainable Development Goals adopted by the United Nations in 2015 and by General Convention in 2018 are listed below and incorporated into this Plan because they are pertinent to a broad swath of TEC's mission and apply across the board to CCSR's work in socially and environmentally responsible investing.

Note 2: DFMS receives many opportunities to sign onto letters that address corporate social responsibility on issues related to Church policy, and the Treasurer determines whether to sign such letters after consultation with the Director of Government Relations who monitors the Church's social policies. The Director of OGR and Treasurer consult about any investor letters addressed to the Administration or Congress.

Note 3: CCSR regularly reviews the companies on the DFMS No Buy Lists and may recommend the addition or deletion of companies there listed based on the criteria of each investment screen as determined by General Convention and /or Executive Council. The No Buy lists include Tobacco, Private Prisons, Military Defense Contracting, Human Rights and Fossil Fuels.

Note 4: Most of this work will be managed by Mercy Investment Services, with the exception of the work on conflict-affected and high-risk areas, which is managed by Heartland Initiative.

Note 5: CCSR members will monitor but not act in three additional areas, separate from the workplan being carried out by Mercy and Heartland:

- To track Investors & Indigenous Peoples Working Group | First Peoples Worldwide | University of Colorado Boulder and to seek collaboration with Church of England's Pensions Board on mining issues, especially on Indigenous lands. While mining is seen as necessary to produce materials as part of the transition from fossil fuels to clean energy, respect for indigenous lands where such mining takes place must be paramount. A member of CCSR participates in the ICCR task force addressing these issues.
- To track corporate investments and behavior with regard to reproductive health and gender affirming care through Rhia Ventures – Rhia. This is not part of Mercy's services but will be **monitored** by CCSR members.

Category: Human Rights

Issue: Human Trafficking (both Sex Trafficking and Labor Trafficking)

Objectives - Sex Trafficking	**2023 Company Engagements**	**2024 Company Engagements**
❖ Engage companies on compliance with best practice standards to mitigate labor trafficking, and child and women sexual trafficking.	Delta (airline) United (airline)	Delta (airline) (1-6-24) **D** United (airline) (12-15-23) **D**
❖ Engage companies to address online child sexual exploitation.	Alphabet (tech) Meta (tech) Visa (financial)	Alphabet (tech) (12-23-23) **D** Meta (tech) (12-16-23) **R** Visa (financial) (8-3-23) **D**

Objective - Labor Trafficking in Workplace & Supply Chain	**2023 Company Engagements**	**2024 Company Engagements**
❖ Engage companies on efforts to ensure compliance with human rights standards in their own workforce, supply chains, including outsourced labor brokers, requirements in subcontractor contracts, living wage, and worker health and safety. Address a focus on mental health issues and diversity, equity and inclusion.	Delta (airline) Kroger (food retailer) United (airline) Procter and Gamble (consumer goods)	Delta (airline) (1-6-24) **D** Kroger (food retailer) (1-13-24) **R** United (airline) (12-15-23) **D** Procter and Gamble (consumer goods) (to be determined - spring) **R**
❖ Oppose surveillance technologies that restrict human rights		Sign-on letters as appropriate

TEC Policy

- 1994-D015 *Reaffirm Support for Human Rights: "civil rights and political freedom are the universal bedrock of any meaningful scheme of human rights"*
- 2012-A012 *Urge Governments to Follow Principles in Adopting Trade Polices: "That trade should respect and enrich rather than undermine local economies, cultures and peoples".*
- 2012-A131 *Express Solidarity with Indigenous Peoples: "make protection of the rights of Indigenous Peoples a high priority in its advocacy about United States foreign policy, including advocacy about trade agreements, human rights advocacy, and international environmental protection"*
- 2018-B026 *Embracing the United Nations Sustainable Development Goals*
- 2022-D023 *Support for Care Workers*
- 2022-D020 *Addressing Implications of the Digital Age*
- 2022-A003 *Uniform Paid Family Leave Policy*
- 2022- A090 *Allies for Recovery*

Issue: Conflict Affected and High-Risk Areas

Note: *all engagements in this objective are supported by Heartland Initiative.*

Objectives	**2023 Company Engagements**	**2024 Company Engagements (Heartland Supported)**
❖ Engage companies with direct or value chain activities in conflict-affected and high risk areas in areas of civil and/or labor strife or racial disparagement (e.g., Democratic Republic of Congo, Israel/Palestine, Russia, Myanmar, Xinjiang Uyghur Autonomous Region (XUAR), China, U.S./Mexico border) on heightened human rights due diligence processes to help ensure they are not directly or indirectly financially benefiting repressive regimes and/or armed groups or engaged in repressive practices impacting vulnerable populations (e.g., human rights defenders, workers, indigenous peoples). impacting Indigenous peoples. ❖ Develop Human Rights Screen for Israel/Palestine and conflict affected areas such as Burma/Myanmar, Russia, XUAR, Sudan etc.	ABB Group (electrical equipment) (Foreign) Booking (travel) Chevron (integrated oil & gas) Cisco Systems (technology) Expedia Group (travel) General Mills (food production) Heidelberg (cement) (Foreign) JPMorgan Chase (banking) Keysight Technologies (technologies) Siemens (technology) (Foreign) TripAdvisor (travel) Western Digital (tech)	Analog Devices (tech) (9-22-23) **R** AXA SA (insurance) (Foreign) (to be determined) **D** Bookings (travel) (12-26-23) **R** Chevron (integrated oil & gas) (12-14-23) **R** Cisco Systems (tech) (to be determined) **R** Expedia Group (travel) (12-22-23) **R** Heidelberg (cement) (Foreign) **D** Hilton (travel) (12-8-23) **R** JPMorgan Chase (banking) (12-5-23) **R** Keysight (tech) (9-29-23) **D** Li Ning (sportswear) (Foreign) (to be determined) **D** Marriott (travel) (11-29-23) **R** Siemens AG (tech) (Foreign)(to be determined) **D** Trip Advisor(travel) (12-29-23) **R**

TEC Policy

- *General Convention Resolutions:*
  - 2018-B016 *Join ELCA and Develop Human Rights Screen in Israel/Palestine conflict*
  - 2018-D068 *Develop Procedures for deciding to engage or establish No Buy List (divest) from companies*
  - 2003-D008 *Urge Israel to End Policy of Demolition of Palestinian Homes*
  - 2003-D081 *Oppose Construction of the Israeli Security Wall*
  - 1997-A107 *Recognize Jerusalem as the Capital of Both Israel and Palestine*
  - 1994-D065 *Recognize Illegality of Israeli Settlements in Gaza and the West Bank*
  - 2022-D024 *Conditioning US Military Assistance on Human Rights*

o *2022- B008 Cessation of Conflict in Ukraine*
o *2022- C013 Freedom of Speech and the Right to Boycott*

Issue: Immigration/Refugees/Migration

Objectives	2023 Company Engagements	2024 Company Engagements
❖ Engage companies that employ migrant workers (documented and undocumented) or in their supply chain, based on issues such as fair treatment, adequate health care, wage theft, job training, child labor or other labor/human rights issues in companies and/or their supply chains.	Sign on letters as appropriate, company letters and dialogues with companies to be determined	Kroger (food retailer) (1-13-24) **R** Procter and Gamble (consumer goods) (to be determined-spring) **R**
❖ Divest from private prisons with immigrant facilities on human rights policies, implementation, and disclosure with implementation metrics.	Sign on letters as appropriate	Sign on letters as appropriate
❖ Engage companies on advocating for just immigration reform in the United States.	Sign on letters as appropriate	Sign on letters as appropriate
❖ Work with private sector to promote pro-immigrant public policies		Advocacy collaboration as appropriate

TEC Policy: Immigration and Refugees

o *Resolutions:*
o *2012-A012 Urge Governments to Follow Principles in Adopting Trade Polices: "every human being's right to the basic necessities of life, as well as a right to work, to receive just wages and benefits, to experience decent and just working conditions, and to organize and join labor associations"*
o *2015-C048 Support Living Wage and Increase in the Minimum Wage*
o *2015-D067 Divest from Private Corporations in the Prison Business*
o *2009-B006 Advocate for Immigration Reform*
o *EXC102014.34 Instructions for Shareholder Resolutions: Executive Council opposing private prisons: "the Executive Council of The Episcopal Church declare its opposition to for-profit prisons and detention centers, which often set occupancy or "bed" quotas, capitalizing on the criminal, civil, or immigration incarceration of individuals" and "the Executive Council of The Episcopal Church directs the Treasurer to avoid investment in companies that own and operate for-profit prisons and detention centers."*

- 2018-A178 *Halt the Intensification and Implementation of Immigration Policies and Practices that are Harmful to Migrant Women, Parents and Children*
- 2018-D009 *Christian Principles for Responding to Human Migration*
- 2022-D031 *Opposition to Detention and Surveillance of Immigrants and Asylum-Seekers*
- 2022-DO45 *Supporting LGBTIQ+ refugees and asylum Seekers*

Issue: Rights of Indigenous Cultures and Communities
While not a part of the Mercy work plan, CCSR, under its concern for the Rights of Indigenous cultures and communities, will track Investors & Indigenous Peoples Working Group | First Peoples Worldwide | University of Colorado Boulder and will seek collaboration with Church of England's Pensions Board on mining issues, especially on Indigenous lands. While mining is seen as necessary to produce materials as part of the transition from fossil fuels to clean energy, respect for indigenous lands where such mining takes place must be paramount. A member of CCSR participates in the ICCR task force addressing these issues.

Objectives	2023 Company Engagements and DFMS Contact Name and email	2024 Company Engagements
o Improve transparency and reporting on current practices, implementation of best practices and industry standards, human rights impact assessments and community development and impacts. o Assess company risks related to conflict minerals, and the environmental and public health impacts. o Ensure community impact of company operations on socio-economic-environmental concerns are assessed (especially in water-stressed areas), including impact on the most vulnerable such as: women, Indigenous persons, and people who are impoverished.	Sign on letters as appropriate	Sign on letters as appropriate

○ Engage pipeline companies to ensure free prior informed consent (FPIC) is used in siting projects and obtaining community consent during entire project with a special focus on Indigenous communities.	Sign on letters as appropriate	Sign on letters as appropriate
○ Engage financial institutions to ensure policies address socioeconomic and environmental concerns, particularly climate and freshwater resources, as well as pipeline financing in their lending practices. In addition, engage asset managers on their proxy voting practices.	Sign on letters as appropriate	Sign on letters as appropriate

TEC Policy: Human Rights

- *1994-D015 Reaffirm Support for Human Rights: "civil rights and political freedom are the universal bedrock of any meaningful scheme of human rights"*
- *2012-A012 Urge Governments to Follow Principles in Adopting Trade Polices: "That trade should respect and enrich rather than undermine local economies, cultures and peoples".*
- *2012-A131 Express Solidarity with Indigenous Peoples: "make protection of the rights of Indigenous Peoples a high priority in its advocacy about United States foreign policy, including advocacy about trade agreements, human rights advocacy, and international environmental protection"*
- *2018-B026 Embracing the United Nations Sustainable Development Goals*

TEC Policy: Environmental Protection of local communities, including Indigenous peoples

- *Resolutions:*
  - *2012-B023 Seek Environmental Justice*
  - *2015-C013 Oppose Environmental Racism*
  - *EXC102016.29 Support for Peaceful Protest at Standing Rock Sioux Reservation*
  - *2015-C013 Oppose Environmental Racism*
  - *2022-A088 Commit to the Pressing Work of Addressing Global Climate Change and Environmental Justice*

Category: Health and Health Care

Issue: Reproductive Rights:
Noting the Church's position on reproductive rights, CCSR, under the category of Health and Healthcare will track reproductive health and gender affirming care through Rhia Ventures – Rhia. This is not part of Mercy's services but will be monitored by CCSR members.

Issue: ***Opioid Epidemic***

Objective	**2023 Company Engagements**	**2024 Company Engagements**
❖ Engage opioid manufacturers and distributors about their corporate policies on the marketing or promotion of drugs that lead to addiction and how the company takes responsibility for these practices.	AmerisourceBergen (wholesaler) Cardinal (wholesaler) CVS (retailer)	*Leads have sunset the work.* Sign on letters as appropriate.

TEC policy: Health Care in the U.S.

- *Resolutions*
  - *2018-D032 Advocate for Gender Equity, Including Reproductive Rights, In Healthcare*
  - *2022-D083 Addressing the Erosion of Reproductive Rights and Autonomy*
  - *2022-D066 Addressing Restrictions on Gender-Affirming Care*
  - *2018-C037 Response to Opioid Epidemic*
  - *2017 That the Executive Council of the Episcopal Church meeting in San Juan, Puerto Rico June 9-11, 2017 urges strong action to combat the epidemic of prescription opioid drug abuse, heroin use, and overdose deaths in the United States; and be it further Resolved, That the Executive Council acknowledges the role that prescription opioids play in leading to heroin addiction and the abuse of other synthetic opioids and calls on Episcopalians to advocate for a coordinated public health, law enforcement, and legislative response to eradicate opioid abuse and care for those affected by the disease of addiction; and be it further Resolved, That the Executive Council calls for the decriminalization of addiction and recognizes that prior efforts of criminalizing drug addiction has had profound impacts on incarceration, particularly of persons of color.*
  - *2022-A090 Allies for Recovery in the Episcopal Church*
  - *2022- C056 Promote equity and reduce differences in Health Outcomes*

Issue: Gun Safety

Objectives	**2023 Company Engagements**	**2024 Company Engagements**
○ As a public health issue, engage gun manufacturers to adopt more smart technologies for weapons and retailers to restrict which weapons they sell and under what conditions; engage both to adopt the Sandy Hook Principles, which protect the rights of gun ownership and the rights of citizens to be safe and secure; and to report on their lobbying activities and expenses for gun rights. ○ Determine when to invest in gun manufacturers to change corporate behavior.	Sturm Ruger (guns) Smith & Wesson (guns)	Sturm Ruger (guns) (12-22-23) **R & Director vote "no"** Smith & Wesson (guns) (to be determined) **R**
○ Engage industries such as credit card companies, shipping companies, and financial institutions on their impact on the epidemic of gun violence in the U.S.	Mastercard (credit cards)	Mastercard (credit cards) (12-30-23) **D**

TEC Policy:

- 2018 B007 *Ethical investing in gun manufacturers Resolved, the House of Bishops concurring, That the 79th General Convention direct the Executive Council Committee on Corporate Social Responsibility to develop and implement a shareholder engagement plan by which dioceses, church organizations, and individual Episcopalians investing in the publicly traded stock of gun manufacturers and retailers could act to effect change in these companies through the practices of shareholder advocacy to do everything in their power to minimize lethal and criminal uses of their products, and be it further Resolved, That the 79th General Convention commend to the church the Mosbacher-Bennett Principles for Investors in the Gun Industry developed by Do Not Stand Idly By.*
- *2015-C005 – Implement Laws to Decrease Gun Violence*
- *2000-B007 – Request removal of handguns and assault weapons*
- *1997-D033 - Urge Legislation on the Safe Manufacture of Domestic Handguns*
- *1997-C052 - Urge Congress to Adopt Effective Handgun Control Legislation*
- *2022-B003 - Regulating Ghost Guns and 3D Printed Guns*
- *2022- B007 - Community violence intervention*

Category: Care of Creation

Issue: Climate Change/Sustainability

Objective – Water and healthy communities	**2023 Company Engagements**	**2024 Company Engagements**
○ Engage companies on science-based water stewardship targets and the human right to water, in their operations and their supply chains. Focus on Ceres 'Valuing Water' initiative.	Campbells (food) Constellation (alcohol) Coca-Cola (food/beverage)	Campbells (food) (to be determined) **D** Constellation (alcohol) (2-2-24) **R** Coca-Cola (food/beverage) (11-11-23) **D** Monster (beverage) (12-30-24) **R**

Objectives – Climate Change and a Healthy Environment	**2023 Company Engagements**	**2024 Company Engagements**
○ Engage companies to adopt science-based targets for reducing greenhouse gas emissions, adopt technologies to monitor and reduce methane emissions, adopt new and cleaner energy technologies, promote efficiency, promote transparency in reporting, and protect consumers, particularly low-income consumers.	Ameren (utility) Chevron (oil & gas) Delta (airline) Marathon Oil (oil and Gas) Phillips 66 (oil & gas)	Ameren (utility) (11-28-23) D Chevron (oil & gas) (12-14-23) **D** Delta (airline) (1-6-24) **D** Marathon Oil (oil & gas) (12-14-23) **D** Phillips 66 (oil & gas) (12-2-23) **D**
○ Engage companies, to improve public disclosure and transparency in reporting presented by current and future company operations and products including company plans to manage carbon asset risk and comply with a regulatory scenario that holds global temperature rise below a 1.5/2-degree Celsius threshold.	NextEra (energy) Nucor (steel) Valero (oil and gas)	NextEra (energy) (12-7-23) **D** Nucor (steel) (12-25-23) **R** *Mercy (lead) is sunsetting Valero engagement for lack of progress*

○ Engage companies to accelerate progress towards a net zero future in the food sector focused on the Ceres Food Emissions 50.	Darden (Restaurant) Ingredion (Food & Bev)	Darden (Restaurant) (4-9-24) **D** Ingredion (Food & Bev) (12-7-23) **R**
○ Engage financial institutions to ensure commercial lending and investment policies address socioeconomic and environmental concerns, particularly climate change, water stewardship, pipelines, financing in their lending practices.	AIG (insurance) JPMorgan Chase (banking) PNC (banking)	AIG (insurance) (11-30-23) **D** JPMorgan Chase (banking) (12-5-23) **D** PNC (banking) (11-16-23) **D**
○ With the Church Pension Fund, add as sustainability expert on the board to advocate for positively impacting the environment CO21	Chewy (pet supplies)	Chewy (pet supplies) (1-26-24) **D**
○ Engage companies to ensure positive community impact of company operations on society, local economy and environmental concerns are appropriately assessed and transparently reported (sustainability reports) including environmental justice concerns and the impacts on the most vulnerable such as: women, Indigenous persons, and people who are impoverished.	Chewy (pet supplies)	Chewy (pet supplies) (1-26-24) **D**

TEC Policy: Climate Change and a Healthy Environment

- *Resolutions:*
  - 2015-A170 *Advocate for Safe Food Production and Farm Labor Policies: "support public policies and laws designed to protect our Earth's natural environment and to protect humanity's ability to produce food for generations to come, including restrictions on pesticide overuse, harmful industrial farming practices (e.g., overcrowding of livestock and mono-cropping), and carbon,*

methane, and nitrogen pollution throughout the food system that threaten animal and human health, damage the soil, and threaten the climate for future generations."

- 2009-C011 *Directs Advocacy on Renewable Energy and Environmental Stewardship*
- 2015-B006 *On the Topic of Affirming Genetic Engineering Technologies - Legislative Action Taken: Rejected*
- *The 2009 resolution urges further study, but has no recommendation:* 2012-A013 *Study the Impact of Genetically Modified Crops and Organisms*
- 2015- C045 *Investing in Clean and Renewable Energy*
- 2018-C021 *Advocate for sustainability expertise on corporate boards of directors*
- 2018-A020 *Fossil Fuel divestment and reinvestment in clean renewable energy*
- 2018-B026 *Embracing the United Nations Sustainable Development Goals*
- 2022-C015 *Carbon Sequestration - Creates an Internal Carbon Offset Program*
- 2022-C016 *Climate Change - Carbon-Intensive Lending*
- 2022-A087 *Net Carbon Neutrality by 2030*
- 2022-D064 *Endorse and Encourage Green Deal Legislation*
- 2022- AO89 *Divestment & Just Transition*

Category: Corporate Governance and Accountability

Issue: Governance and Diversity

Objectives	**2023 Company Engagements**	**2024 Company Engagements**
❖ Engage companies to address board diversity to include women and people of color ❖ Engage companies to address income inequalities, racial disparities, and other human capital issues to promote a just society.	Johnson & Johnson (pharma) United Health (pharma)	Johnson & Johnson (pharma) (11-16-23) **R** United Health (pharma) (12-22-23) **R**
o Engage companies to address political spending, lobbying and trade associations contribution and other financial support such as political ads and trade association memberships to climate issues. o Ensure companies align public pronouncements with expenditures in lobbying and	Johnson & Johnson (pharma) UPS (shipping) Walt Disney (entertainment)	UPS (shipping) (11-21-23) **D**

stated values match lobbying asks about regulation, investments and that asks are in line with transforming industries that are harmful.		

TEC Policy: General Convention:

- *2009-D042 Renew Support for Passage of the Equal Rights Amendment*
- *2018-B026 Embracing the United Nations Sustainable Development Goals – see goals 5 and 10*
- *2018-B002 Advocate for Transparency and Anti-Corruption Efforts*
- *2022-A160 Study for guidance on cryptocurrency*

Approximate Texts of Resolutions to be Filed in 2023-2024 Shareholder Season

Note: All shareholder resolutions approved by Executive Council are subject to review by the Securities Exchange Commission (SEC) in accordance with SEC standards developed from time to time, if the company requests such review. Accordingly, any resolution approving a text will include language such as "such text or its substantive equivalent" in order to accommodate adjustments to the text necessary to meet any SEC requirements in any instance after such review. Further, some resolution texts are refined after consultation with ecumenical partners in the Interfaith Center for Corporate Responsibility (ICCR) prior to the filing deadlines. These refinements are not substantive, but pertinent to the particular targeted companies.

Wage and Benefit equity assessment
To be filed with Kroger or others through ICCR agreement

RESOLVED, shareholders ask that the board commission and publish a report on (1) whether the Company participates in compensation and workforce practices that prioritize Company financial performance over the economic and social costs and risks created by income inequality and racial and gender disparities and (2) the manner in which any such costs and risks threaten returns of diversified shareholders who rely on a stable and productive economy.

WHEREAS:

Kroger employs nearly 420,000 associates and while the company has raised wages and expanded benefits for associates in 2022, Kroger's *average* hourly wage is only $17,1 with no disclosure of the number, or demographics, of associates earning at or above this amount. This puts the company behind an increasing number of retailer peers who have raised their *starting* wages to at least $15 an hour.2 The 2021 total compensation of Kroger's median associate was
$26,763.3 While the company's workforce is 50.4% female and 38.5% minority, these groups only make up only 33% and 26% of store leaders.4

More than half the U.S. population fails to earn a living wage.5 According to MIT, the national average living wage is $17.46 per hour – or $36,311 annually.6 The current federal minimum wage stands at $7.25 and applies in 20 states.

A JUST Capital poll shows that 87% of Americans say large U.S. companies have responsibility to regularly increase wages to keep up with the rising cost of living7.

Increasing wages for those earning the least is fundamental to ensuring an equitable economy that leaves no one behind while promoting shared prosperity, and helpful in closing gender and racial pay gaps.8

The Congressional Budget Office estimates that income inequality has risen between 1979 and 2019, even after accounting for transfers and taxes.9

Research reveals that:

- Income inequality slows U.S. economic growth by reducing demand by 2 to 4 percent.10

- A 1% increase in inequality leads to a 1.1% per capita GDP loss. 11

Excessive inequality increases health costs and decreases the value of human capital.12 By paying its employees less than a living wage, the Company increases its margins and thus financial performance. But gains in Company profits that come at the expense of society and the economy are a bad trade for most Company shareholders, who are diversified and rely on broad economic growth to achieve their financial objectives. The costs and risks created by inequality will directly reduce long-term diversified portfolio returns.

Kroger's 10-K, reports operating profit of $3.5 billion and lists labor costs and inflation among risks that could adversely affect the company's financial position,13 but fails to consider the costs that their compensation practices have on the broader economy and for the diversified investor.

Human Rights Impact Assessment
To be re-filed with Smith & Wesson

RESOLVED: Shareholders direct the Smith & Wesson Brands, Inc. (Smith & Wesson) board of directors to oversee an independent third-party Human Rights Impact Assessment which assesses and produces recommendations for improving the human rights impacts of its policies, practices, and products, above and beyond legal and regulatory matters. Input from stakeholders, including human rights organizations, employees, and customers, should be considered in determining the specific matters to be assessed. A report on the assessment, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company's website by August 1, 2024.

WHEREAS:
The UN Guiding Principles on Business and Human Rights (UNGPs) state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility necessitates that companies know their human rights risks and impacts; take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur; and publicly communicate how they are addressing their most severe impacts on people connected with their business.

The inherent lethality of firearms exposes all gun makers to elevated human rights risks. Smith & Wesson admits that "reducing the harm caused by the unlawful or improper use of any product, including firearms, is an issue of legitimate public concern…and that to the extent that we can take effective steps to mitigate harm...we might enhance the rights of lawful gun owners."

In fact, this is a pervasive and uniquely American problem. According to the Centers for Disease Control and Prevention, there were over 48,830 deaths from firearms in 2021, and firearms have become the leading cause of death for children in the U.S., surpassing all other causes in 2022. 80.7% of all homicides and 54.8% of all suicides in 2021 involved firearms and Americans were killed by guns at the highest rate in 30 years. A 2022 study from the University of Chicago Harris Public Policy and NORC Center for Public Affairs Research found that 75% believe "gun violence is a major problem in the United States," and about "4 in 10 Americans believe that it is at least somewhat likely that they will become a victim of gun violence within the next five years."

In 2019, in response to a shareholder proposal that achieved majority support, Smith & Wesson published a report on its measures to address gun safety. It should be noted that this report failed to put forward meaningful solutions to address gun violence, nor did the report assess or address the company's human rights risks.

Human Rights Impact Assessment
To be re-filed with Sturm Ruger

Resolved: Shareholders of Sturm Ruger & Co., Inc. ("Ruger") request that the Board of Directors issue a report, at reasonable expense and excluding proprietary information, assessing whether Ruger's advertising and marketing practices may pose financial and/or reputational risks sufficient to have material impacts on the company's finances and operations due to levels of gun violence.

Whereas:
Legislative, media, and public scrutiny around the connection between the marketing of firearms, particularly to young men, and episodes of gun violence are increasing in frequency. The Atlantic recently reported on an "emerging tactical (firearm) market" and a trend in advertising that "reduced the social stigma…for edgy marketing of military-style rifles," saying that "bad firearms marketing has given us a national nightmare."
According to Tufts School of Medicine's Michael Siegel, who studies the intersection of firearms, marketing, and public health, firearms manufacturers "can heavily influence gun culture through their advertising and marketing practices." The industry's marketing "influences a range of aspects of gun culture, including the perceived purpose or uses of guns; the images, symbols, values and identity that is associated with gun ownership; and of course the demographic makeup of the gun-owning population."

While firearms manufacturers have found immunity from liability under the Protection of Lawful Commerce in Arms Act, they lose protection if "[a]n action in which a manufacturer or seller of a qualified product knowingly violated a State or Federal statute applicable to the sale or marketing of the product, if the violation was a proximate cause of the harm for which relief is sought." Recent examples of firearms company actual and potential liability include:

- Remington settled for $73 million with families of the victims of the Sandy Hook shooting, who argued that the company's marketing violated Connecticut consumer law;
- Victims of the Highland Park (IL) parade massacre sued Smith & Wesson for "illegally targeting its ads at young men at risk of committing mass violence;" and
- Families of the Uvalde school massacre victims sued Daniel Defense for "aggressive marketing tactics that recklessly endanger children."

In July 2022, the House Oversight Committee held a hearing with gun manufacturers including our Chief Executive Officer (CEO) Christopher Killoy, on the Practices and Profits of Gun Manufacturers, "seeking information on their sale and marketing of AR-15-style semi-automatic rifles and similar firearms."

Ahead of the hearing, the Committee released evidence that gun manufacturers "used disturbing sales tactics—including marketing deadly weapons as a way for young men to prove their manliness."

Upon Committee questioning about Ruger's monitoring of violent events associated with its products, Killoy admitted that Ruger learns of them "through its 'customer service department,' the media or from occasional lawsuits."

Shareholders believe an assessment of Ruger's marketing and advertising practices can help ensure that they are not contributing to a culture of gun violence and thereby increasing risks to our company.

Online Child Sexual Exploitation
To be re-filed with Meta

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 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, 2024.

WHEREAS: Facebook’s business model relies almost entirely on ads, with nearly 97% of Facebook's global revenue in 2021 generated from advertising. Facebook ad revenue stood at over $114 billion in 2021, a new record for the company and a significant increase from previous years.

Algorithmic systems are deployed to enable the delivery of targeted advertisements, determining what users see, resulting in and exacerbating systemic discrimination 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.

Over the last year digital advertising has continued to be closely examined. Headlines like “Digital Ads Collapse” highlight concerns surrounding the practice, such as an increasingly crowded marketplace. By investing in true human rights due diligence processes through a HRIA, Meta could use its current position of dominance to lead the way in centering human rights within its business, which would also serve to separate it from its competitors.

While we applaud the release of the company’s first human rights report in 2022, we note that the issue of targeted advertising was virtually ignored as the company did not recognize the material human rights risks that it poses. Recently, the Foundation for Alcohol Research and Education (FARE), audited the advertising transparency of seven major digital platforms, including Meta. They found that Meta was not transparent enough for the public to understand what advertising they publish, and how it is targeted. In fact, Facebook does not publish data on alleged violations of the policies they do have, making it impossible to know if they are effective.

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 Europe and the United States is poised to severely restrict or even ban targeted ads.

Facebook’s business model relies on a single source of revenue – advertising. Targeted advertising, given concerns around the fairness, accountability, and transparency of the underlying algorithmic system, has been heavily scrutinized for its adverse impacts on human rights, and could face significant regulation. 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.

Conflict Zones and High-Risk Areas

Human Rights Due Diligence in CAHRA Report
To be filed with Analog Devices

RESOLVED: *Shareholders request that the Board of Directors commission an independent third-party report, at reasonable expense and excluding proprietary information, on Analog Devices International (ADI) due diligence process to determine whether its customers' use of its products or services contribute or are linked to violations of international law.*

Supporting Statement:
The United States and EU have imposed an unprecedented array of sanctions and export controls against the Russian state and its owned and affiliated businesses in response to the illegal invasion of Ukraine. On September 21, Vladimir Putin announced a "partial mobilization," requiring all public and private organizations to assist in the conscription of eligible employees and provide material means to support the war effort; The Royal United Services Institute (RUSI) reported that ADI and Texas Instruments were the original manufacturers of approximately 25% of the overall dual-use items found in 27 Russian weapons systems used in the invasion, including cruise and ballistic missiles, precision munitions, and electronic warfare. RUSI notes 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."

The use of ADI's products during the Russian invasion of Ukraine may result in heightened human rights and financially material risks through violations of American and EU sanctions and export controls, the UN Guiding Principles on Business and Human Rights, and TI's human rights policies, as well as complicity in Russia's violations of international law.
Because human rights risks can be particularly acute in conflict-affected and high-risk areas (CAHRA), characterized by widespread human rights abuses and violations of national or international law, the UNGPs call for heightened human rights due diligence. 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, lack of security, and supply-chain disruptions.

To mitigate risks associated with customer conduct, companies undertake "Know Your Customer" (KYC) diligence coupled with sanctions compliance programs.
Shareholders seek information, at board and management discretion, through a report that describes TI's:

- Sanctions and export control compliance process to ensure that dual-use items are not used by proscribed users or for proscribed uses in connection with Russia's invasion;
- Plans to address risks associated with Putin's partial mobilization order;

- Board of Directors' role in overseeing the identification and management of risks associated with Russia's invasion;
- Determination if a KYC due diligence process is needed to address material risks associated with the invasion and across CAHRA, or if a KYC exists, whether it is sufficient; and
- Assessment of legal, regulatory, and reputational risks to shareholder value posed by the use of TI products in connection with the war and across CAHRA.

Human Rights Due Diligence in CAHRA Report
To be filed with Booking Holdings, Expedia, and TripAdvisor

RESOLVED: *Shareholders request that the Board of Directors commission an independent third-party report, at reasonable expense and excluding proprietary information, on Booking's/Expedia's/Tripadvisor's implementation of the company's human rights policy, especially as it relates to risks to travelers and local communities in conflict-affected and high-risk areas (CAHRA).*

Supporting Statement:
Human rights risks can be particularly acute in conflict-affected and high-risk areas (CAHRA), characterized by widespread human rights abuses and violations of national or international law. The number and intensity of these areas are increasing globally, 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, presenting risks to people, companies, and shareholders. In light of the fact that the risk of gross human rights abuses is comparatively higher in these areas, the UNGPs call for businesses to conduct heightened human rights due diligence.

CAHRA are also characterized by a higher prevalence of material risks -- legal, operational, and financial -- for companies and their shareholders. As noted by the International Finance Corporation, fragile and conflict-affected settings "face business risks that are much greater than those in other emerging markets," including destruction of physical capital, as well as deaths and injuries, weak state control, lack of security, and supply-chain disruptions.

Booking/Expedia/TripAdvisor facilitate accommodations, flight and ground transportation, and other traveler experiences in nearly every country around the globe, necessarily including a number of CAHRA. Operations and relationships in CAHRA present heightened human rights risks to travelers and local communities, which may result in financially material risks for the company and its shareholders.

Shareholders seek information, at board and management discretion, through a report that:
- Describes how the company monitors and enforces its human rights and other related policies (e.g., anti-discrimination) in CAHRA;
- Discusses how the company decides to undertake and ultimately conducts human rights impact assessments (HRIAs) in CAHRA;

- Discloses human rights- and conflict-related risks to travelers and local communities and the findings of HRIAs; and
- Assesses whether additional policies are needed to supplement the company's current human rights policy to avoid causing or contributing to violations of human rights in CAHRA.

Human Rights Due Diligence in CAHRA Report
To be filed with Chevron

RESOLVED: *Shareholders request that Chevron assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company's approach to mitigating the operational and human rights risks associated with business activities in conflict-affected and high-risk areas (CAHRA).*

Supporting Statement:
Chevron's *Human Rights Policy* commits the company to respecting human rights as enumerated in the Universal Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work and adhering to the principles set forth in the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Voluntary Principles on Security and Human Rights, and the International Finance Corporation's Performance Standards.

The Sustainability Accounting Standards Board (SASB) considers proximity to conflict an accounting metric for the oil and gas industry, which should be assessed and disclosed as a material risk for shareholders. Within the same topic, SASB calls for companies to disclose the results of "[d]iscussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict."

Chevron's operations and relationships in conflict-affected and high-risk areas (CAHRA), including but not limited to Angola, Equatorial Guinea, Iraq, Kazakhstan, Myanmar, and Saudi Arabia, expose the company to heightened human rights and financially material risks, which are to be assessed, addressed, and reported upon according to the UNGPs and SASB.

To mitigate heightened risks, leading companies conduct human rights impact assessments based on international frameworks, such as the UNGP, which calls on companies to conduct enhanced due diligence in CAHRA due to the widespread and gross human rights violations endemic to such areas.

Shareholders seek information, at board and management discretion, through a report that:
- Assesses whether additional policies are needed to supplement Chevron's current Human Rights Policy to avoid causing or contributing to violations of human rights in CAHRA; and
- Describes the company's process for conducting human rights impact assessments in CAHRA.

Human Rights Due Diligence in CAHRA Report
To be filed with Cisco Systems

RESOLVED: *Shareholders request that the Board of Directors commission an independent third-party report, at reasonable expense and excluding proprietary information, on Cisco Systems (Cisco) due diligence process to determine whether its customers' use of its products or services contribute or are linked to violations of international law in conflict-affected and high-risk areas (CAHRA).*

Supporting Statement:
Human rights risks can be particularly acute in conflict-affected and high-risk areas (CAHRA), characterized by widespread human rights abuses and violations of national or international law. The number and intensity of these areas are increasing globally, 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, presenting risks to people, companies, and shareholders. In light of the fact that the risk of gross human rights abuses is comparatively higher in these areas, the UNGPs call for businesses to conduct heightened human rights due diligence.

CAHRA are also characterized by a higher prevalence of material risks -- legal, operational, and financial -- for companies and their shareholders. As noted by the International Finance Corporation, fragile and conflict-affected settings "face business risks that are much greater than those in other emerging markets," including destruction of physical capital, as well as deaths and injuries, weak state control, lack of security, and supply-chain disruptions.

Cisco's customer relationships in CAHRA, including but not limited to the Occupied Palestinian Territory, Golan Heights, Russian-occupied South Ossetia and Abkhazia and Transnistria, Turkish-occupied Northern Cyprus, Saudi Arabia, and the United Arab Emirates, may create heightened risk for contributing to violations of the UNGPs, Cisco's Global Human Rights Policy and position statements, and international humanitarian and human rights law that could have a material impact on shareholder assets.
To mitigate risks associated with customer conduct, companies undertake "Know Your Customer" (KYC) diligence coupled with sanctions compliance programs.

Shareholders seek information, at board and management discretion, through a report that describes Cisco's:

- Board of Directors' role in overseeing the identification and management of risks associated with customers' use of products and services in CAHRA;
- Approach to determining if customers' misuse of its products and services may contribute to violations of international humanitarian law in occupied territories; and
- Determination if a KYC due diligence process is needed to address material risks associated with the invasion and across CAHRA, or if a KYC exists, whether it is sufficient.

Assessment of legal, regulatory, and reputational risks to shareholder value posed by the use of TI products in connection with the war and across CAHRA.

Human Rights Due Diligence in CAHRA Report
To be filed with Hilton and Marriott

RESOLVED: *Shareholders request that Hilton/Marriott assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company's approach to mitigating the human rights and material risks associated with business activities in conflict-affected and high-risk areas (CAHRA).*

Supporting Statement:
Human rights risks can be particularly acute in conflict-affected and high-risk areas (CAHRA), characterized by widespread human rights abuses and violations of national or international law. The number and intensity of these areas are increasing globally, 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, presenting risks to people, companies, and shareholders. In light of the fact that the risk of gross human rights abuses is comparatively higher in these areas, the UNGPs call for businesses to conduct heightened human rights due diligence.
CAHRA are also characterized by a higher prevalence of material risks -- legal, operational, and financial -- for companies and their shareholders. As noted by the International Finance Corporation, fragile and conflict-affected settings "face business risks that are much greater than those in other emerging markets," including destruction of physical capital, as well as deaths and injuries, weak state control, lack of security, and supply-chain disruptions.
Hilton's/ Marriott's global operations include nearly XXX properties and roughly XXX million rooms in XXX countries and territories, including numerous CAHRA, exposing the company and its shareholders to significant human rights and material risks.

Shareholders seek information, at board and management discretion, through a report that:

- Assesses whether additional policies are needed to supplement Hilton's/Marriott's current Human Rights Policy to avoid causing or contributing to violations of human rights in CAHRA; and
- Describes the company's process for conducting human rights impact assessments in CAHRA.

Human Rights Due Diligence in CAHRA Report
To be filed with JPMorgan Chase

RESOLVED: *Shareholders request that JPMorgan Chase (JPMC) assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company's approach to mitigating the human rights and material risks associated with business activities in conflict-affected and high-risk areas (CAHRA).*

Supporting Statement:
Human rights risks can be particularly acute in conflict-affected and high-risk areas (CAHRA), including situations of international armed conflict, internal armed conflict, and military occupation, where human rights abuses and breaches of international humanitarian law (IHL) are widely documented. In light of the severe risks endemic to these areas, the UNGPs call for heightened due diligence. Per the *Financial Times*, JPMC says it takes, "human rights violations 'very seriously'." 'Any company with alleged or proven violations of [UN Global Compact] principles, including human rights abuses, is scrutinized and may result in either enhanced engagement or removal from a portfolio.'"

CAHRA are also characterized by a higher prevalence of material risks -- legal, operational, and financial -- for companies and their shareholders. As noted by the International Finance Corporation, fragile and conflict-affected settings "face business risks that are much greater than those in other emerging markets," including destruction of physical capital, as well as deaths and injuries, weak state control, lack of security, and supply-chain disruptions. JPMC's operations and relationships in CAHRA, including but not limited to Russia, Myanmar, Venezuela, Mozambique, and Kazakhstan, may expose the company to human rights and material risks - legal, operational, and financial - by contributing to violations of international human rights and humanitarian law, UNGPs, United States' laws, and JPMC's own commitments and *Human Rights Policy*. As JPMC investors and stakeholders, we are also exposed to the risks and impacts of such actions.

Shareholders seek information, at board and management discretion, through a report that:

- Assesses whether additional policies are needed to supplement JPMC's current Human Rights Policy to avoid causing or contributing to violations of human rights in CAHRA; and
- Describes the company's process for conducting human rights impact assessments in CAHRA.

Human Rights Due Diligence in CAHRA Report
To be re-filed with Texas Instruments

RESOLVED: *Shareholders request that the Board of Directors commission an independent third-party report, at reasonable expense and excluding proprietary information, on Texas Instruments' (TI) due diligence process to determine whether its customers' use of its products or services contribute or are linked to violations of international law.*

Supporting Statement:
The United States and EU have imposed an unprecedented array of sanctions and export controls against the Russian state and its owned and affiliated businesses in response to the illegal invasion of Ukraine. On September 21, Vladimir Putin announced a "partial mobilization," requiring all public and private organizations to assist in the conscription of eligible employees and provide material means to support the war effort;
The Royal United Services Institute (RUSI) reported that TI and Analog Devices were the original manufacturers of approximately 25% of the overall dual-use items found in 27 Russian weapons systems used in the invasion, including cruise and ballistic missiles, precision munitions, and electronic warfare. RUSI notes 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."

The use of TI's products during the Russian invasion of Ukraine may result in heightened human rights and financially material risks through violations of American and EU sanctions and export controls, the UN Guiding Principles on Business and Human Rights, and TI's human rights policies, as well as complicity in Russia's violations of international law.

Because human rights risks can be particularly acute in conflict-affected and high-risk areas (CAHRA), characterized by widespread human rights abuses and violations of national or international law, the UNGPs call for heightened human rights due diligence. 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, lack of security, and supply-chain disruptions.

To mitigate risks associated with customer conduct, companies undertake "Know Your Customer" (KYC) diligence coupled with sanctions compliance programs.

Shareholders seek information, at board and management discretion, through a report that describes TI's:

- Sanctions and export control compliance process to ensure that dual-use items are not used by proscribed users or for proscribed uses in connection with Russia's invasion;
- Plans to address risks associated with Putin's partial mobilization order;

- Board of Directors' role in overseeing the identification and management of risks associated with Russia's invasion;
- Determination if a KYC due diligence process is needed to address material risks associated with the invasion and across CAHRA, or if a KYC exists, whether it is sufficient; and
- Assessment of legal, regulatory, and reputational risks to shareholder value posed by the use of TI products in connection with the war and across CAHRA.

Water Risk Assessment
To be filed with Constellation Brands

WHEREAS: According to the 2021 IPCC report, climate change is intensifying the water cycle, resulting in more intense droughts globally. Climate change related water scarcity poses material risk to Constellation Brands ("Constellation"), including lowered production capacity and disruption of supply chains.

For companies in the beverage industry, the vast majority of their water footprint comes from agricultural supply chains. To identify water risk and reduce costs, many peer companies – including The Coca-Cola Company, Anheuser-Busch InBev, and Diego have conducted water risk assessments for both operations and supply chains. By doing so, these companies have laid a foundation to mitigate future business risks associated with water and take the proper steps to future goal setting.

Constellation states the importance of water resiliency and management by stating "Our ambition is to protect our communities' water resources where we live and work by collaborating with leaders and organizations to support local watersheds and enable the restoration of water consumed by our operations.

While Constellation has committed to restore 1.1 billion gallons to local watersheds, it neglects to provide disclosures for water use and risk in these areas in its product production. Our Company has faced water-related disturbances of operations during 2020 after Constellation was forced to abandon the Mexicali facility, booking a loss of nearly $700 million.

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 are unable to gauge whether Constellation adequately manages its water risk, which are expected to be exaggerated by climate change.

RESOLVED: Considering the growing pressure on water supplies posed by climate change, shareholders request that Constellation 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 Constellation/Monster 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 Risk Assessment
To be filed with Monster Beverage

WHEREAS: According to the 2021 IPCC report, climate change is intensifying the water cycle, resulting in more intense droughts globally. Climate change related water scarcity poses material risk to Monster Beverage, including lowered production capacity and disruption of supply chains.

For companies in the beverage industry, the vast majority of their water footprint comes from agricultural supply chains. To identify water risk and reduce costs, many peer companies – including The Coca-Cola Company, Anheuser-Busch InBev, and Diego have conducted water risk assessments for both operations and supply chains. By doing so, these companies have laid a foundation to mitigate future business risks associated with water and take the proper steps to future goal setting.

While Monster Beverage has conducted water risk assessments on its direct operations, it neglects to provide the same disclosure for water use in its agricultural related ingredient production – the most water intensive function of its business.

Monster Beverage understands the threat of water risk to local communities such as in California when it states, "We recognize that access to clean, safe drinking water is under threat from California's ongoing drought." With Monster's supply chain being a "substantial component of our water footprint" and increased vulnerability due to climate change happening in many areas, water related risk pose a significant impact to our Company's ability to operate.

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 are unable to gauge whether Monster Beverage adequately manages its water risk, which are expected to be exaggerated by climate change.

RESOLVED: Considering the growing pressure on water supplies posed by climate change, shareholders request that Constellation 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 Constellation/Monster 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 partners

Set Science-based Target
To be re-filed with Nucor

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 warming to 1.5°C.

Every incremental increase in temperature above 1.5°C will entail increasingly severe physical, transition, and systemic risks for companies and investors alike.

Emissions from steelmaking account for an estimated 7% of global GHG emissions. While Nucor's scrap- based electric-arc steelmaking is more carbon-efficient than integrated steelmaking, the global share of EAF production is projected to double by 2050. Related emissions could derail efforts to limit warming to 1.5°C.

Nucor emits more GHGs across all scopes than any other American steelmaker, an estimated 44,594,134 tons compared to Cleveland Cliffs' 42,390,698 tons in 2021 (ISS). Yet the company's mitigation strategy falls short. While Nucor has adopted a goal to reduce Scope 1 and 2 GHG emissions intensity 35 percent by 2035, the company has not set an end date to achieve net zero emissions, does not include Scope 3 emissions in its target, and lacks a goal to procure zero-carbon electricity, a readily available abatement strategy.

Nucor thereby trails other American steelmakers in GHG risk management. Steel Dynamics, Inc. (SDI) has committed to reduce Scope 1 and 2 emissions intensity 50% by 2030, to achieve Scope 1 and 2 net zero emissions by 2050, and to procure 30% renewable electricity by 2030. US Steel has committed to achieve net zero emissions by 2050 and was the first to certify an American electric-arc mill to the international ResponsibleSteel standard. Cleveland Cliffs participates in a CDP working group to develop steel-specific Science Based GHG targets; Nucor dropped out of the talks in November 2022.

In order to adequately mitigate the physical risks to its operations and supply chain, and the transition risks associated with new regulation and a global shift from a fossil fuel-based economy, proponents believe Nucor must adopt a long-term science-based target for its full carbon footprint.

Resolved: Shareholders request that Nucor, within a year, commit to adopt a long-term science based GHG reduction target aligned with the Paris Agreement's ambition of maintaining global temperature rise to 1.5 degrees Celsius, and summarize plans to achieve it. The target should cover the company's full range of operational, supply chain, and product-related emissions (including Scopes 1, 2 and 3).

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

- Considering approaches used by advisory groups like SBTi;
- Developing a transition plan that shows how the Company plans to meet its goals, considering guidance from advisory groups like Ceres, Climate Action 100+, CDP, and the Glasgow Financial Alliance for Net Zero; and
- Consideration of supporting targets for renewable energy, energy efficiency, zero-carbon fuels, and other measures deemed appropriate by management.

Set Science-Based Targets and Publish Transition Plan
To be filed with Ingredion, 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. According to the IPCC, agriculture, forestry, and other land use change is responsible for 23 percent of total net anthropogenic greenhouse gas (GHG) emissions, nearly half of which are attributable to deforestation. Every incremental increase in temperature above 1.5°C will entail increasingly severe physical, transition, and systemic risks for companies and investors alike.

We are pleased to see that Ingredion, Inc. ("Ingredion") has filed a commitment with SBTi for target validation and is currently developing a strategy towards Net Zero. However, as emissions disclosure, robust GHG reduction targets, no-deforestation policies and action plans become the industry standard, Ingredion lack lags peer companies that are positioning themselves to address these climate and deforestation risks.

By contrast, industry peers such as Tate & Lyle and Kellogg have reduction targets in place that align with the Paris Agreement. Many other leading food companies, including General Mills, Kellogg, Hershey, and Mondelez have already made progress in reducing emissions and joined the 2,468 companies that have set validated targets through the Science Based Target Initiative.

Ramping up the scale, pace, and rigor of its climate-related initiatives will help prepare Ingredion for future climate-related regulations that may affect its operations. It may also unlock opportunities for growth, enabling the Company to become a sustainable solution for current and potential future customers decarbonizing their supply chains.
Failure to adopt policies and implement tactics that mitigate climate and deforestation risk may subject Ingredion to significant systemic and company-specific risks, including restricted market share, supply chain disruption, and reputational risk.

Resolved: Shareholders request that Ingredion, within a year, issue near- and long-term science-based GHG reduction targets aligned with the Paris Agreement's ambition of maintaining global temperature rise to 1.5 degrees Celsius and summarize plans to achieve them. The targets should cover the company's full range of operational and supply chain emissions (including Scopes 1, 2 and 3).

Supporting Statement:
In assessing targets, proponents recommend:

- Considering approaches used by advisory groups such as the Science Based Targets initiative;
- Developing a transition plan that shows how the company plans to meet its goals;
- Considering emissions reduction targets inclusive of all GHG Protocol-defined sources of Scope 3 emissions—including from agriculture, land use change, and deforestation

Racial Equity Audit
To be re-filed with United Health Group

Resolved: Shareholders urge the board of directors to oversee a third-party audit (within a reasonable time and at a reasonable cost, and consistent with the law) which assesses and produces recommendations for improving the racial impacts of UnitedHealth Group's ("UHG's") 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.

Whereas: Black and Native Americans have higher death rates than white people across a variety of illnesses. Black and Latina women also face higher preconception and maternal health risks than other groups, even those in higher income brackets. One study found "a potential economic gain of $135 billion per year if racial disparities in health are eliminated, including $93 billion in excess medical care costs and $42 billion in untapped productivity." UHG, as the largest health insurance provider in the United States, both by market share and revenue, has an outsized role to play in eliminating these inequities.

To that end, the United Health Foundation, an affiliate of UHG, has announced a 10-year, $100 million commitment to advance health equity, among other initiatives, but UHG has not conducted an outside assessment of its current and potential racial equity impacts.

Although algorithms increase efficiencies, they should be vetted to prevent algorithmic bias. Optum, a UHG subsidiary, used an algorithm that reportedly referred equally sick Black people to care less frequently than white people. We believe an analysis of these algorithms and proxy factors is necessary, along with disclosure of the results. Opaque data collection practices by health insurance companies raise the possibility of discrimination and pose reputational and financial risk. New York's Financial Services and Health departments launched an investigation of Optum after the results of the study were published.

The company's acquisition of Change Healthcare also raises racial justice concerns. The American Antitrust Institute told the Department of Justice that the deal is "likely to harm competition and consumers." Decreasing market competition can lead to fewer options for consumers, which can disproportionally impact people of color. In fact, Color of Change states that "monopolies put economic justice at risk." Additionally, Change Healthcare had to fire an executive for racist behavior over the summer, suggesting that the internal culture of the acquisition should be examined.

Finally, UHG's 2021 EEO-1 report shows just 3.9 percent Hispanic and 3.9 percent Black executives compared to 83.4 percent white executives. UHG's strategy to address the lack of diversity remains unclear to shareholders without public targets.

We urge the company to conduct a racial equity audit to examine its total impact and help dismantle systemic injustices.