

Wetherby ENGAGEMENT REPORT

Through shareholder engagement, our clients can encourage the world's most powerful companies to address - and improve - their impact on our society and planet.

Publicly traded companies continue to face an engaged investor community – motivated by environmental, social and governance (ESG) issues – that is asking for change.

Using their rights as shareholders, many investors – both institutional and individual – encourage corporate responsibility or discourage unsustainable and unethical practices using shareholder advocacy and resolutions.

Many Wetherby clients are part of this mix. Through our firm's work with As You Sow and Proxy Impact, leading shareholder advocacy organizations, we connect eligible clients with corporate resolutions that can benefit people, the planet and the long-term financial position of their investment positions.

A RIPPLE EFFECT THROUGH THE INDUSTRY

Individual investors have long led the charge on using shareholder resolutions to address material ESG issues. Now, institutional investors are participating with greater frequency. After a landmark vote in 2017 when Vanguard voted its shares in favor of better climate risk disclosures from ExxonMobil, more institutional mutual fund

investors have entered the arena on ESG resolutions. Whereas 5-10% can be a compelling vote outcome, we now see support at 60% and more for some resolutions!

The 2019 proxy season also saw mutual funds take positions on issues such as the opioid epidemic and gun control. Together, individuals and institutions are increasing the pressure for corporate action as the case for sound environmental, social and governance practices builds.¹

HOW ESG ADVOCACY WORKS AT WETHERBY

Wetherby clients can support critical ESG resolutions with a simple signature. Every year, As You Sow and Proxy Impact experts draft resolutions for which they need investor support in order to file for corporate annual meetings. Wetherby notifies all eligible clients of the opportunity. Interested clients then choose if they want to support the proposals by signing a letter of authorization.

This authorized shareholder support ensures that the resolutions can be considered for inclusion at the annual meeting. Participating clients are notified of progress in the campaign, and their efforts are summarized annually in this report.

Through this report, we invite you to learn about our clients' participation in the 2019 proxy season, including the topics, outcomes and resolutions supported. To learn more about our shareholder resolution offering, please reach out to your Wetherby team.

2019 WETHERBY CLIENT PARTICIPATION



Topics of Engagement

Every year, As You Sow and Proxy Impact engage companies on a wide range of ESG issues. For the 2019 annual meeting season, Wetherby clients authorized As You Sow and Proxy Impact to file and co-file shareholder resolutions focused on the following topics.

ANTIBIOTICS & FACTORY FARMS

Resistant bacteria strains that survive antibiotic treatments can cause infections that are harder, sometimes impossible, to treat. Antibiotic resistance is reaching dangerously high levels globally, accelerated by the overuse and misuse of antibiotics. The World Health Organization calls antibiotic resistance “one of the biggest threats to global health, food security and development today.”²

Factory farms and the food industry often overuse antibiotics to promote growth in otherwise healthy animals. Center for Science in the Public Interest (CSPI) reports that about 80% of all antibiotics distributed in the U.S. were for food animals.³ Major health and food organizations, including the World Health Organization and U.S. Food and Drug Administration, urgently recommend that farmers and the food industry stop routine use of antibiotics on healthy animals.⁴

CLIMATE CHANGE

The human, environmental and economic costs of a warming climate are becoming increasingly clear – as is the need for decisive action. From catastrophic flooding, hurricanes, droughts and fires, the impacts of climate change are no longer a concern of the future.

Scientists and global governments have agreed that global temperature increases must be held below two degrees Celsius to avoid catastrophic climate change. Companies can lead the way in maximizing opportunities created by climate change – including investing in new products, technologies and operational innovations. Alternatively, they may face losses if unprepared for a quickly decarbonizing global economy.⁵

CONSUMER PACKAGING

Amidst a backdrop of consumer and regulatory pressure as well as sustainable innovation in the space, many large companies are reducing overall use of packaging, adopting sustainable packaging and finding ways to close the loop on their models of production. However, the scale and urgency of the issue requires continued attention. For example, recyclable materials represent the largest single portion of the U.S. municipal waste stream, comprising nearly 30% of all waste (75 million tons). Single use applications are wasteful and not designed to align with a circular collection and recycling model.⁶

Progress toward a circular economy of production can decrease post-consumer packaging waste, conserve natural resources, reduce energy use and greenhouse gas emissions and slow the toxic loading of our oceans with packaging debris.

DIVERSITY, EQUITY AND INCLUSION

Research shows that companies with a higher number of women on their boards outperform those with fewer or no women, yet women hold only 19% of the board

SUPPORTING NON-PROFIT ORGANIZATIONS



AS YOU SOW

As You Sow harnesses shareholder power to create lasting change that benefits people, planet and profit. Their mission is to promote environmental and social corporate responsibility through shareholder advocacy, coalition building and innovative legal strategies. To learn more, please visit www.asyousow.org.

PROXY  IMPACT

Proxy Impact is a proxy voting and shareholder engagement service for foundations, NGOs and other mission-based or socially responsible investors. Proxy Impact offers a full range of shareholder engagement services on social and environmental issues including filing resolutions and corporate dialogues. To learn more, please visit www.proxyimpact.com.

seats at the 1,000 largest U.S. public companies while smaller and newer companies are even less diverse. In addition, women account for less than 6% of CEOs and only about 25% of senior management positions.

The gender wage gap also prevents women from participating fully and equally in our economy. The median income for women working full time in the U.S. is 80% of that of their male counterparts. The gender wage gap for African American and Latina women is 60% and 55%.⁷

Companies with poor diversity practices can face reputational risk, consumer backlash, new legislation, and governmental and employee lawsuits. These practices can also make it hard for companies to recruit or retain top talent.⁸

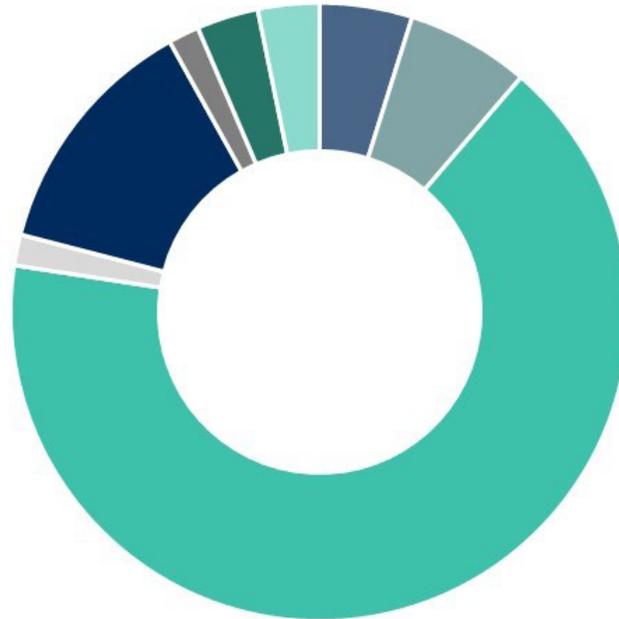
EXECUTIVE COMPENSATION

According to the Economic Policy Institute, in 1978, U.S. executives earned 30 times the average employee, now it is 276 times as much.⁹ The U.S. leads the world in excessive executive compensation, to the detriment of shareholders. Excessive executive pay distorts incentives, exacerbates income inequality and undermines the trust of consumers and employees. Many compensation structures are also short sighted, prioritizing quarterly stock performance over the long-term success of the business.¹⁰ Executives’ interests, and therefore their compensation structure, should be aligned with the shareholders that they serve.

GMOS & PESTICIDES

Pesticides are an enormous group of chemicals designed to kill unwanted insects (insecticides), weeds (herbicides), rodents (rodenticides) and fungi (fungicides). Many pesticides endanger human health or damage ecosystems, creating risks for companies that buy or produce food and other crops.

The vast majority of Genetically Modified Organisms (GMOs) grown in the U.S. are engineered to produce their own pesticides or survive direct application of pesticides. For example, Monsanto’s Roundup Ready crops are engineered to survive direct application of glyphosate (the primary ingredient in Roundup). Glyphosate is the world’s most heavily used herbicide



- Antibiotics & Factory Farms, 5%
- Climate Change, 66%
- Consumer Packaging, 13%
- GMOs & Pesticides, 3%
- Diversity, Equity & Inclusion, 6%
- Executive Compensation, 2%
- Truth in Media, 2%
- Sustainability Disclosures, 3%

and, in 2015, it was classified as a probable human carcinogen by the world’s leading cancer authority.¹¹

SUSTAINABILITY DISCLOSURES

The Sustainability Accounting Standards Board (SASB) has established industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location. Failure to adequately manage and disclose performance on material sustainability factors can pose significant regulatory, legal, reputational and financial risk to a company and its shareholders.¹²

TRUTH IN MEDIA

The creation and spread of disinformation via digital platforms have increased dramatically over the past few years. Disinformation and fake news can have a material impact on investors as companies face regulatory scrutiny and reputational repercussions. Content governance and integrity is a growing concern and shareholders require additional disclosure to be confident that companies are addressing this risk.¹³

Outcomes & Spotlights

23%

RESOLUTIONS SUCCESSFULLY WITHDRAWN

Not all proposed resolutions are ultimately included in the proxy materials for an annual meeting. Oftentimes, companies are motivated to satisfy a resolution in advance of the proxy vote, based upon the merit of the proposal and the company's desire to avoid public exposure of poor practices. Following such cases of successful dialogue and agreement, shareholder advocacy organizations may choose to withdraw the resolution from consideration at the annual meeting.

27%

RESOLUTIONS BROUGHT TO VOTE

Results of a shareholder vote are publicly reported and calculated as "votes for," divided by the total votes cast for and against the proposal; abstained votes are not counted. Typically, outcomes around or over 10% send a clear signal of shareholder support to a management team, but the actual results can vary case-by-case as even limited voter support can still lead to corporate adoption of thoughtful proposals.

10%

RESOLUTIONS OMITTED

Some companies may also challenge a proposal based on SEC standards in an effort to disqualify it from inclusion in the proxy materials. If, upon review, the SEC finds that a resolution is inappropriate – e.g., if the issue is considered a part of a company's "ordinary business" – it can issue a "no action letter" in which it will not take legal action against a company for omitting the resolution from its proxy statement.

40%

RESOLUTIONS CANCELLED

Sophisticated shareholder engagement programs maintain a continuous and constructive dialogue to reach consensus between investors and management on their shared interest of improving the long-term financial performance of the company. As such, the supporting organization will at times, cancel planned resolution filings in favor of continued engagement or high priority engagements with other companies.

RESOLUTION SPOTLIGHT: PFIZER AGREES TO SHARE GENDER PAY DATA

The median income for women working full time in the United States is 80% of that of their male counterparts. This pay disparity can add up to nearly half a million dollars over a career. The gap for African American and Latina women is even more pronounced at 60% and 55%, respectively. According to World Economic Forum estimates, this gender pay gap costs the economy \$1.2 trillion annually.

U.S. companies have begun reporting statistically adjusted 'equal pay for equal work' data, assessing the pay of men and women performing similar jobs. However, statistically adjusted numbers fail to consider how discrimination affects differences in opportunity and how structural bias affects the jobs women hold, particularly when men hold most higher paying jobs. U.K. regulations now mandate the disclosure of median gender pay gaps. Reporting both adjusted equal pay gaps and global median gender pay gaps is essential to fully understanding the state of gender pay at companies.

Mercer finds that actively managing pay equity "is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation." Research from Morgan Stanley, McKinsey and RobecoSam suggests that gender diverse leadership leads to superior stock performance and return on equity. McKinsey notes that "the business case for the advancement and promotion of women is compelling" and best practices include "tracking and eliminating gender pay gaps."

Public policy is a clear risk, not only in the U.K. but also in the U.S. as the Paycheck Fairness Act is pending before the Senate. The Congressional Joint Economic Committee reports that 40% of the wage gap may be attributed to discrimination. California, Massachusetts, New York and Maryland have all strengthened equal pay legislation.

This year, Proxy Impact used clients' shares to ask to Pfizer to close any gender pay gap and report the percentage pay gap between male and female employees across job positions (including base, bonus and equity compensation) and provide adjusted and unadjusted (median) pay data.

The proposal was successfully withdrawn after the company agreed to provide adjusted and median data on its gender pay gap for its global operations and racial pay gap data for U.S. operations. This is a significant commitment as Pfizer is only the second U.S. company (after Citigroup) to agree to conduct and disclose this level of analysis.¹⁴



RESOLUTION:

“Report on the company’s global median racial and gender pay gap, including associated policy, reputational, competitive, and operational risks and risks related to recruiting and retaining female talent.”

SUPPORTING STATEMENT:

“A report adequate for investors to assess company strategy and performance would include the percentage global median pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation.”

OUTCOME:

Successfully withdrawn after **Pfizer agreed to provide gender pay gap data** for its global operations **and racial pay gap data** for its U.S. operations.

2019 Resolutions

Status	Topic	Org.*	Company	Resolution Request	Outcome
Successfully Withdrawn	Antibiotics & Factory Farms	AYS	Costco	Phase out the routine use of antibiotics in livestock; advocate for strong animal welfare policies within supply chain	Costco updated its animal welfare standards to include monitoring and enforcement of existing FDA guidelines for responsible use of antibiotics; AYS will continue to monitor progress
Successfully Withdrawn	Climate Change	AYS	Amazon	Set goals for reducing GHG emissions	Amazon set GHG targets for shipments to reach net-zero carbon for half of its deliveries by 2030 and committed to disclose GHG emissions and plans to address them by the end of 2019; AYS will continue to monitor progress
Successfully Withdrawn	Climate Change	AYS	Emerson Electric	Set goals for reducing GHG emissions	Emerson Electric committed to hire a consulting firm to support them in the process of developing GHG goals and targets intended for their 2020 fiscal year; AYS will continue to monitor progress
Successfully Withdrawn	Climate Change	AYS	General Electric	Assess climate change criteria in evaluating fossil fuel projects in emerging markets	General Electric has agreed to work with AYS to address the company's assessment and disclosures concerning fossil fuel related projects in developing countries
Successfully Withdrawn	Climate Change	AYS	JPMorgan Chase	Report on plans to align business model or portfolio with a Paris compliant low carbon economy	JPMorgan Chase committed to consider carbon reduction goals and policies for its financing and metrics to measure its performance; has invited AYS to provide feedback and continue discussions
Successfully Withdrawn	Climate Change	AYS	Kroger	Assess climate change risk reduction benefits of adopting enterprise-wide renewable energy targets	Kroger committed to set a new carbon reduction target, will consider adopting more renewable energy and will conduct a climate risk assessment by the end of 2019; will bring on a third-party consultant and work with AYS to accomplish these commitments and publish findings
Successfully Withdrawn	Climate Change	AYS	Verizon	Feasibility of achieving net zero GHG emissions by 2030	Verizon set new renewable energy adoption target and committed to evaluating Paris-aligned GHG reduction targets; will work with AYS in implementing these commitments
Successfully Withdrawn	Consumer Packaging	AYS	Chevron-Phillips Chemical	Report on spills and measures taken to prevent future spills	Chevron-Phillips Chemical agreed to begin third-party verified reporting on plastic pellets spills, recycling within its resin-handling facilities, and substantive information on management and supply chain practices to share best practices; AYS will continue to monitor progress
Successfully Withdrawn	Consumer Packaging	AYS	ExxonMobil	Report on spills and measures taken to prevent future spills	ExxonMobil agreed to disclose the extent of its plastic pellet spills and remediation efforts; AYS will continue to monitor progress

Status	Topic	Org.*	Company	Resolution Request	Outcome
Successfully Withdrawn	Consumer Packaging	AYS	PepsiCo	Commit to a range of efforts to significantly increase container recycling rates	PepsiCo released report detailing their efforts to increase U.S. recycling rate for beverage containers, aligned with AYS engagements efforts that originated in 2010; PepsiCo failed to meet goal to increase recycling to 50% by 2018 so AYS will continue to directly engage to improve progress
Successfully Withdrawn	Diversity, Equity & Inclusion	AYS	CarMax	Report on diversity management in workforce	CarMax agreed to publish data and analyses on energy management, data security, labor practices, diversity and inclusion in the workforce; AYS will work with CarMax to incorporate more SASB materiality reporting standards in the company's public ESG disclosures
Successfully Withdrawn	Diversity, Equity & Inclusion	PI	Digital Realty	Report on fostering greater diversity on the board	Digital Realty agreed to include a commitment to board diversity in its charter and the inclusion of women in all director searches; PI requested that the board be expanded to allow for more women to be added sooner
Successfully Withdrawn	Diversity, Equity & Inclusion	PI	Pfizer	Report on policies and goals to reduce the gender pay gap	Pfizer published adjusted and median data on its gender pay gap for its global operations and racial pay gap data for U.S. operations; this is significant as Pfizer is only the second U.S. company (after Citigroup) to agree to conduct and disclose this level of analysis
Successfully Withdrawn	Executive Compensation	AYS	Patterson UTI Energy	Improve executive compensation practices to promote long-term sustainable planning	Patterson UTI Energy agreed to adopt share ownership practices similar to peers that better encourage long-term planning by executives, also agreed to improve its ESG practices and disclosures; AYS will continue to monitor progress
Successfully Withdrawn	GMOs & Pesticides	AYS	General Mills	Disclose metrics on pesticide use in the supply chain, with the goal of eliminating the use of glyphosate and other toxic chemicals	General Mills agreed to continue its dialogue with shareholders to determine ways to measure and disclose metrics demonstrating progress on pesticide reduction; AYS will work with company to reduce pesticide use within its supply chain
Successfully Withdrawn	Sustainability Disclosures	AYS	Essex Property Trust	Report on practices to mitigate climate change and water resource risks	Essex Property Trust agreed to evaluate materiality reporting standards and will work with AYS to implement such metrics into their ESG disclosures
Successfully Withdrawn	Sustainability Disclosures	AYS	Paccar Inc.	Report on SASB Industrial Machinery and Goods standard related to sustainability risks and opportunities in manufacturing	Paccar Inc. has implemented many of the requested provisions; AYS will work with them on full implementation by 2020
Brought to Vote	Antibiotics & Factory Farms	AYS	Tyson Foods	Adopt and implement a water stewardship policy	Supported by 5% of shares (~\$3BN in assets); solid result for a first-year resolution and meets threshold to re-file; AYS will continue to engage to address water stewardship
Brought to Vote	Climate Change	AYS	Atmos Energy	Set reduction targets for fugitive methane emissions	Supported by 35% of shares (~\$3BN in assets); AYS will continue to engage management to address fugitive methane

Status	Topic	Org.*	Company	Resolution Request	Outcome
Brought to Vote	Climate Change	AYS	Chevron	Report on carbon asset risk and portfolio impacts and explain how analysis is incorporated into business strategies	Supported by 33% of shares (~\$47 BN in assets); AYS will continue to engage management to advance the align business strategy with the Paris Climate Agreement
Brought to Vote	Climate Change	AYS	Chevron	Form a climate change board committee	Supported by 7% of shares (~\$11BN in assets); AYS will continue to engage management to address climate change leadership
Brought to Vote	Climate Change	AYS	Dow DuPont	Report on risk and financial cost of petrochemical operations in areas increasingly prone to climate change-induced flooding	Supported by 7% of shares (~\$8 billion in assets); voting likely reduced by Dow DuPont's restructuring and postponement of the annual meeting but still reached threshold to re-file; AYS will continue to engage management on flood risk
Brought to Vote	Climate Change	AYS	Duke Energy	Report on efforts to identify and reduce environmental and health hazards of coal ash management	Supported by 42% of shares (~\$17 billion in assets); a strong signal to company about the risks created by toxic coal ash residuals; AYS will continue to engage management to consider climate change induced risks in coal ash management
Brought to Vote	Climate Change	AYS	ExxonMobil	Report on risk and financial cost of petrochemical operations in areas increasingly prone to climate change-induced flooding	Supported by 24% of shares (~\$47 billion in assets), a strong outcome for a first-time resolution; results indicate shareholder concern for the risks posed to the company's operations and plans to build facilities in flood prone areas; AYS will continue to engage management on flood risk
Brought to Vote	Consumer Packaging	AYS	Dow DuPont	Issue a report on the feasibility of making all packaging recyclable and to set a timetable for doing so	Supported by 6% of shares (~\$8 billion in assets); voting likely reduced by Dow DuPont's restructuring and postponement of the annual meeting but still reached threshold to re-file; AYS will continue to engage management
Brought to Vote	Consumer Packaging	AYS	Kroger Company	Issue a report on the feasibility of making all packaging recyclable and to set a timetable for doing so	Supported by 38% of shares (~\$5 billion in assets); Kroger lags its peers in setting time-bound commitments to phase out non-recyclable packaging; shareholder support for this proposal has grown by ~10% this year and AYS will continue to engage management on recycling
Brought to Vote	Consumer Packaging	AYS	Restaurant Brands	Issue a report on the feasibility of making all packaging recyclable and to set a timetable for doing so	Supported by 22% of shares (~\$5 billion in assets); AYS will continue to discuss with Restaurant Brands and push for the elimination of non-recyclable packaging and for the availability of on-site recycling
Brought to Vote	Consumer Packaging	AYS	Starbucks	Meet the reuse and recycling goals it set 10 years ago but has failed to implement	Supported by 44% of shares (~\$29 billion in assets), the largest vote in recent years on packaging and recycling issues, exceeding 2018 vote of 29%; AYS expects Starbucks to re-commit on its pledge to increase use of reusable cups, extend recycling programs to all locations globally and to recycle all in-store packaging at its North American locations

Status	Topic	Org.*	Company	Resolution Request	Outcome
Brought to Vote	Consumer Packaging	AYS	Yum! Brands	Issue a report on the feasibility of making all packaging recyclable and to set a timetable for doing so	Supported by 33% of shares (~\$7 billion in assets); Yum! Brands reiterated their commitment to address the issue; AYS will continue to engage on their lack of recyclable packaging and push for tangible targets for when and how they will meet these goals
Brought to Vote	Diversity, Equity & Inclusion	PI	Home Depot	Provide Equal Employment Opportunity data and report on policies and programs to increase workplace diversity and leadership opportunities	Supported by 33% of shares; Home Depot improved its policy disclosure but, for the 18th year, has refused shareholders' requests for EEO data despite fines and lawsuits regarding bias
Brought to Vote	GMOs & Pesticides	AYS	PepsiCo	Disclose metrics on pesticide use in the supply chain, with the goal of eliminating the use of glyphosate and other toxic chemicals	Supported by 11% of shares (~\$13 billion in assets); respectable vote for a first-year resolution; AYS will continue to engage on the issue
SEC Decision	Climate Change	AYS	Chevron	Disclose short-, medium- and long-term GHG reduction targets aligned with the Paris Climate Agreement	SEC granted Chevron's request to exclude resolution on grounds of micromanagement; AYS disagrees and will work to educate stakeholders on the concept
SEC Decision	Climate Change	AYS	Devon Energy	Report on carbon asset risk and portfolio impacts; explain how analysis is incorporated into business strategies	SEC granted Devon Energy's request to exclude resolution on grounds of micromanagement; AYS disagrees and will work to educate stakeholders on the concept
SEC Decision	Climate Change	AYS	ExxonMobil	Report on plans to align its business model or portfolio with a Paris-compliant low carbon economy	SEC granted ExxonMobil's request to exclude resolution; AYS disagrees and will work to educate stakeholders on the concept
SEC Decision	Climate Change	AYS	Goldman Sachs	Report on plans to align its business model or portfolio with a Paris-compliant low carbon economy	SEC granted Goldman Sachs' request to exclude resolution on grounds of micromanagement; AYS disagrees and will work with coalition partners to press Goldman Sachs and other banks to take responsibility for their carbon footprints while simultaneously educating stakeholders on the concept
SEC Decision	Climate Change	AYS	Hess Corporation	Report on carbon asset risk scenarios and explain how analysis is incorporated into business strategies	SEC granted Hess Corporation's request to exclude resolution on the grounds that AYS' proposal has been substantially implemented; AYS disagrees because Hess Corporation has no plans in place to reduce its GHG emissions in alignment with the Paris Climate Agreement
SEC Decision	Climate Change	AYS	Wells Fargo	Report on plans to align its business model or portfolio with a Paris-compliant low carbon economy	SEC granted Wells Fargo's request to exclude it on grounds of micromanagement; AYS disagrees and will work with coalition partners to press Wells Fargo and other banks to take responsibility for their carbon footprints while simultaneously socializing the concept with shareholders

Status	Topic	Org.*	Company	Resolution Request	Outcome
Cancelled	Antibiotics & Factory Farms	AYS	McDonald's	Publish goals and timelines for the elimination of medically important antibiotics in beef and pork that are similar to its policy on antibiotics and poultry	AYS cancelled the resolution as McDonald's has adopted a policy to eliminate overuse of antibiotics in beef; AYS will continue to monitor progress
Cancelled	Climate Change	AYS	Ameren Corporation	Report on efforts to identify and reduce environmental and health hazards of coal ash management	AYS is making progress with Ameren Corporation outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Anadarko Petroleum	Report on carbon asset risk scenarios and explain how analysis is incorporated into business strategies	AYS cancelled the resolution given Anadarko's impending acquisition by Chevron
Cancelled	Climate Change	AYS	Chevron	Assess the risks of investing in high carbon, high risk drilling in the Arctic	AYS cancelled the resolution to instead combine the request with carbon asset transition resolution
Cancelled	Climate Change	AYS	Chevron	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS is making progress with Chevron outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Chevron	Report on how can reduce its carbon footprint	AYS cancelled the resolution to instead combine the request with carbon asset transition resolution
Cancelled	Climate Change	AYS	Dominion Resources	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS cancelled the resolution as Dominion Resources agreed to provide a draft outline of next methane report and to have a call for AYS to provide feedback
Cancelled	Climate Change	AYS	Energy Corporation	Report on plans to align business model with a Paris-compliant low carbon economy, focusing on risks and opportunities from new technologies like distributed energy	AYS is making progress with Energy outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Exelon Corporation	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS cancelled the resolution as Exelon has complied with 2018 withdrawal agreement terms; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	FirstEnergy Corp.	Report on carbon asset risk scenarios and explain how analysis is incorporated into business strategies	AYS is making progress with FirstEnergy outside resolution process; AYS is working with the company on their report
Cancelled	Climate Change	AYS	Ford Motor Company	Report on GHG emissions and CAFE standards - demonstrate alignment of future fleet emissions with the Paris Agreement given proposed CAFE rollbacks	AYS is making progress with Ford outside resolution process; AYS will continue to monitor progress toward commitments
Cancelled	Climate Change	AYS	General Motors	Report on GHG emissions and CAFE standards - demonstrate alignment of future fleet emissions with the Paris Agreement given proposed CAFE rollbacks	AYS is making progress with General Motors outside resolution process; AYS will continue to monitor progress toward commitments

Status	Topic	Org.*	Company	Resolution Request	Outcome
Cancelled	Climate Change	AYS	Morgan Stanley	Report on plans to align its business model with a Paris-compliant low carbon economy	AYS is making progress with Morgan Stanley outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	NiSource	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS is making progress with NiSource outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	NRG Energy	Report on plans to align its business model with a Paris-compliant low carbon economy	AYS is making progress with NRG Energy outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Occidental Petroleum	Report on the risk and cost of continued petrochemical operations in areas increasingly prone to climate change-induced flooding	AYS reached filing capacity and unable to carry out engagement this year
Cancelled	Climate Change	AYS	Occidental Petroleum	Report on carbon asset risk scenarios and explain how analysis is incorporated into business strategies	AYS cancelled as other shareholders are leading engagement this year
Cancelled	Climate Change	AYS	PayPal	Feasibility of achieving net zero GHG emissions by 2030	AYS cancelled as PayPal is making progress and has committed to work with AYS on setting a GHG reduction target
Cancelled	Climate Change	AYS	Public Service Enterprise Group	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS is making progress with Public Service Enterprise Group outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Sempra Energy	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS is making progress with Sempra Energy outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Southern Company	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS is making progress with Southern Company outside resolution process; AYS will continue to engage via alternate means
Cancelled	Climate Change	AYS	Southern Company	Report on carbon asset risk scenarios and explain how analysis is incorporated into business strategies	AYS cancelled as other shareholders are leading engagement this year
Cancelled	Climate Change	AYS	Tesla Motors	Report on climate-related water risk	Although report was inadequate, AYS is now working with high level executives and board members to address and will continue discussion outside of resolution process
Cancelled	Climate Change	AYS	WEC Energy	Report on actions to monitor and minimize methane emissions to reduce climate risk	AYS is making progress with WEC Energy outside resolution process; AYS will continue to engage via alternate means
Cancelled	Truth in Media	AYS	21st Century Fox	Develop a policy for truth and integrity in reporting	Class B stock was not available this year and resolution could not be filed; Class B shareholders are being sought in preparation for next year's filing

*AYS stands for As You Sow, PI stands for Proxy Impact.

IMPORTANT DISCLOSURES:

This report is for informational purposes only and is from sources believed to be reliable. No warranty is either expressed or implied by its presentation.

This content is not, and should not be, considered a recommendation, offer, nor solicitation of an offer by Wetherby or its affiliates to buy, sell or hold any security or other financial product; nor is it an endorsement or affirmation of any specific investment strategy. Past performance is no guarantee of future results. Inherent in any investment is the potential for loss.

Information contained in third-party articles were prepared by independent outside parties and the accuracy of any such information may have changed subsequent to the publication of the report. Wetherby does not guarantee the accuracy or completeness of information in these articles and assumes no liability for damages resulting from or arising out of the use of such information.

To the extent that this report contains information about specific companies, securities and/or investment strategies (including whether they are profitable or not) such information is provided as a means of illustrating a potential investment thesis at the time of the article's publication and is not reflective of any or all securities held by clients nor the experience of any client; the holdings and performance of which may be materially different from any investments discussed. It should not be assumed that any information contained serves as the receipt of, or as a substitute for, personalized investment advice from Wetherby.

The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. Wetherby assumes no liability for damages resulting from or arising out of the use of such information. It should not be assumed that any information contained serves as the receipt of, or as a substitute for, personalized investment advice from Wetherby.

Wetherby Asset Management ("Wetherby") manages portfolios according to each client's specific investment needs. Therefore, each client's portfolio has its unique set of circumstances and consequently, investment results. Information contained in this presentation is from sources believed to be reliable, however Wetherby does not guarantee the accuracy or completeness of information in this presentation and assumes no liability for damages resulting from or arising out of the use of such information.

To the extent that a reader has any questions regarding the applicability of any specific data presented above to her/his individual situation, she/he is encouraged to consult with the professional advisor of her/his choosing. A copy of Wetherby's current ADV2 discussing our advisory services, fees and other relevant information is available upon request.

SOURCES:

- 1 Proxy Preview. 2019. <<https://www.proxypreview.org/>>.
- 2 World Health Organization. Antibiotic Resistance Fact Sheet. 2018. <<http://www.who.int/news-room/fact-sheets/detail/antibiotic-resistance>>
- 3 Center for Science in Public Interest. 2018. <<https://cspinet.org/news/fda-proposes-ambitious-strategy-combating-antimicrobial-resistance-20180914>>
- 4 U.S. Food and Drug Administration. Antimicrobial Resistance. 2018. <<https://www.fda.gov/animalveterinary/safetyhealth/antimicrobial-resistance/default.htm>>
- 5 As You Sow. Climate Change. 2018. <<https://www.asyousow.org/our-work/energy/climate-change>>
- 6 As You Sow. Consumer Packaging. 2018. <<https://www.asyousow.org/our-work/waste/consumer-packaging>>
- 7 National Partnership for Women and Families. Fact Sheet. 2019. <http://www.nationalpartnership.org/our-work/resources/economic-justice/fair-pay/americas-women-and-the-wage-gap.pdf>
- 8 As You Sow. Pushing Companies to Improve on Gender Equality. 2019. <<https://www.asyousow.org/blog/2019/3/19/pushing-companies-improve-gender-equality>>
- 9 Fortune. Executive Compensation and CEO Pay. 2017. <<http://fortune.com/2017/04/19/executive-compensation-ceo-pay/>>
- 10 As You Sow. Executive Compensation. 2018. <<https://www.asyousow.org/our-work/ceo-pay/>>
- 11 As You Sow. GMOs and Pesticides. 2018. <<https://www.asyousow.org/our-work/environmental-health/gmos-pesticides>>
- 12 Sustainability Accounting Standards Board. 2019. <<https://www.sasb.org/>>
- 13 Responsible Media Forum. 2018 Media Materiality Report. 2018. <<https://static.schibsted.com/wp-content/uploads/2018/07/04143107/2018-Media-Materiality-Report.pdf>>
- 14 Proxy Impact. Gender Pay Scorecard. 2019. <http://proxyimpact.com/assets/docs/Gender_Pay_Scorecard_2019.pdf>



WETHERBY
ASSET MANAGEMENT

580 California Street, Eighth Floor, San Francisco, CA 94104 | 415 399 9159 | 800 475 9159 | 415 399 9330 fax

One Rockefeller Plaza, Suite 2610, New York, NY 10020 | 212 292 4809 | 800 475 9159 | 212 245 2737 fax

WWW.WETHERBY.COM | INFO@WETHERBY.COM