

Wetherby ENGAGEMENT REPORT

Shareholder engagement allows our clients to hold the world's most powerful companies accountable for their role in creating positive change.

In August 2019, the Business Roundtable, representing around 200 major U.S. corporations, released a new statement regarding the purpose of corporations, which said its members “share a fundamental commitment to all of our stakeholders” and commit to doing well by their customers, employees, suppliers and local communities.¹ Since then, the world has undergone more changes than we can likely even measure, and we stand at what could be a watershed moment. When faced with uncertainty due to a protracted pandemic, social unrest and our climate at a crisis point, are businesses still committed to a higher purpose than merely financial gains? Will corporations listen to the voices of investors calling for stronger environmental practices, greater diversity and more transparency? Will fund managers follow through on their own promises and support Environmental, Social and Governance (ESG) resolutions, knowing the weight of their votes?

In our view, results from the 2020 proxy season are largely promising, but illustrate the importance of continued shareholder involvement. Over 400 resolutions were filed this year, spread across a range of issues related to the environment, diversity, corporate responsibility and social justice, according to [Proxy Impact's Proxy Preview](#).² Many of them have received strong voting results or been successfully withdrawn after productive engagements with companies, but

now the work really begins. Shareholders vote to hold corporations accountable for their actions, but corporations must continue to be driven, by consistent shareholder engagement, to follow through on the commitments they made. This year there are a number of resolutions asking for companies to follow through on existing commitments, some made as much as a decade ago. We are grateful for the work of groups like As You Sow (AYS), Proxy Impact (PI) and Reproductive Health Investors Alliance (RHIA) for leading the way on these conversations and helping to ensure that corporations meet their commitments and continue to strive to do what is right by all stakeholders in recognition of their position as “a critical engine” in our society.³

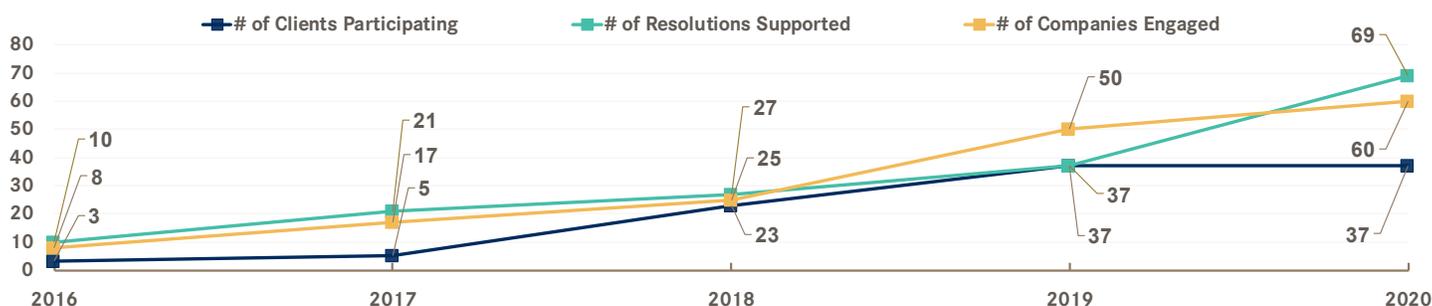
HOW ESG ADVOCACY WORKS AT WETHERBY

Eligible Wetherby clients can support critical ESG resolutions with a simple signature. Every year, shareholder advocacy 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 2020 proxy season. To learn more about our shareholder resolution offering, please reach out to your Wetherby team.

ANNUAL WETHERBY CLIENT PARTICIPATION



Topics of Engagement

Every year, AYS, PI and RHIA engage companies on a wide range of ESG issues. For the 2020 annual meeting season, Wetherby clients authorized them to file, co-file and endorse 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. Factory farms and the food industry often overuse antibiotics to promote growth in otherwise healthy animals. 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.

CLIMATE CHANGE

From catastrophic flooding and hurricanes to 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.

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. 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.

SUPPORTING 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.



The Reproductive Health Investors Alliance is a collaborative of foundations and investors that promotes corporate responsibility regarding all aspects of reproductive and maternal health including advocating for comprehensive and affordable reproductive health benefits for employees, generous parental and family leave policies, support public policies that affirm reproductive rights and reproductive justice, and more. To learn more, please visit www.rhiaventures.org.

CORPORATE PURPOSE

The Business Roundtable (BRT) is an influential association of chief executive officers from nearly 200 of America's most prominent companies. Recognizing that companies are increasingly expected to play a positive role in society and take responsibility for the broader effects of their actions and products, the BRT has expanded their 1997 definition of corporate purpose from a singular focus on shareholder value to one that creates "value for all our stakeholders." Through defining a corporate purpose, companies are thus encouraged to identify both their impact and their value to society in their core operating principles.

DIVERSITY, EQUITY & INCLUSION

Research continues to show that companies with diverse teams offer better management, have stronger long-term growth prospects and improved share value. For example, a 2019 study of the S&P 500 by the Wall Street Journal found that the 20 most diverse companies had a five-year annual average stock return that was 5.8% higher than the 20 least-diverse companies.⁴ 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 82% of that of their male counterparts. The gender wage gap for African American and Latina women is 62% and 54%. While many major companies now articulate a commitment to diversity, shareholders deserve quantitative data or meaningful statistics that allow investors to determine the effectiveness of workplace diversity initiatives.

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.⁵ 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.⁶ Executives' interests, and therefore their compensation structure, should be aligned with the shareholders they serve.

FORCED LABOR

Forced labor is a pernicious practice in our global economy where individuals work involuntarily and under threat of a penalty. It can take many forms, including slavery or slave-like practices, various forms of debt

bondage and human trafficking, which all involve living conditions contrary to human dignity. An estimated 40 million people are victims of modern slavery, with 24.9 million in forced labor. These victims work in virtually every industry and across sectors. According to the U.N. Guiding Principles, companies have a corporate responsibility to respect human rights within their operations and supply chains.⁷

GMOS & PESTICIDES

Pesticides are an enormous group of chemicals designed to kill unwanted insects (insecticides), weeds (herbicides), rodents (rodenticides) and fungi (fungicides). The vast majority of Genetically Modified Organisms (GMOs) grown in the U.S. are engineered to produce their own pesticides or survive the direct application of pesticides. Many pesticides endanger human health or damage ecosystems, creating risks for companies that buy or produce food and other crops.

OCEAN PLASTICS

A major contributor to ocean plastic pollution is the preproduction material used in many plastic goods: nurdles, or tiny plastic pieces weighing a mere fraction of an ounce. Researchers estimate nearly 250,000 tons of these plastics enter the ocean each year, polluting beaches and endangering marine life.⁸ Investors are pressuring the largest producers and transporters of nurdles and other major plastic polluters to quantify, report and reduce plastic waste entering our oceans and waterways.

PETROCHEMICALS

Petrochemicals are the chemical products obtained from petroleum by refining. The process is energy and carbon intensive and can also produce dangerous pollutants, such as benzene, volatile organic compounds (VOCs) and sulfur dioxide. Major petrochemical producers are expanding operations in areas increasingly prone to climate change-induced storms, flooding and sea-level rise without being transparent with investors about the material environmental and public health risks and liabilities of such actions.⁹

SEXUAL & REPRODUCTIVE HEALTH

In 2019, some states passed new restrictions or bans on abortions, and federal laws regarding sexual and reproductive health came under additional scrutiny and threat. As geographic variability in access to sexual and reproductive health services increases, nationally operating companies must be transparent with how this

can materially impact their workers’ benefits, ability to attract skilled workers and the company’s risk of litigation. Shareholders are entitled to understand how enacted or proposed state policies affect reproductive rights for a company’s workers and how companies might minimize or mitigate these risks.¹⁰

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.¹¹

WATER RISK

The 2020 World Economic Forum named water crises among their top global risks. Historic droughts, depleted aquifers, extreme weather events and escalating water competition are all adding to the materiality of water as a financial risk.¹² The growing scarcity of fresh water affects industries with high water usage, and investors are entitled to transparency in how companies are responding to water risk and preparing for water supply uncertainties associated with climate change.

2020 TOPICS OF ENGAGEMENT



- Antibiotics & Factory Farms, 6%
- Executive Compensation, 9%
- Climate Change, 25%
- Consumer Packaging, 14%
- Corporate Purpose, 4%
- Forced Labor, 4%
- Diversity, Equity & Inclusion, 3%
- GMOs & Pesticides, 6%
- Ocean Plastics, 6%
- Petrochemicals, 7%
- Sexual & Reproductive Health, 4%
- Sustainability Disclosures, 4%
- Water Risk, 7%

Outcomes & Spotlights

33%

RESOLUTIONS SUCCESSFULLY WITHDRAWN

Not all proposed resolutions are ultimately included in the proxy materials for an annual meeting. Often, 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.

17%

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.

17%

ONGOING ENGAGEMENT

Shareholder engagement often starts with conversations and constructive dialogue with the corporation, either one-on-one or through multi-stakeholder roundtables that convene industry peers to work on a sector-wide issue. These ongoing engagements can be productive without the direct need to file a shareholder resolution if companies are open to feedback and authentic in their engagement on the issue.

9%

RESOLUTIONS OMITTED

Some companies may also challenge a proposal based on Securities and Exchange Commission (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.

20%

RESOLUTIONS CANCELLED

We believe sophisticated shareholder engagement programs maintain a continuous and constructive dialogue to reach consensus between investors and management on their shared interest in 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.

3%

RESOLUTIONS PENDING

At the time of this report, several corporations have yet to hold their annual meetings. We are awaiting the results of these resolutions.

RESOLUTION SPOTLIGHT: FOSSIL FUEL GIANTS PUSHED TO EVALUATE CLIMATE RISKS TO INFRASTRUCTURE

The COVID-19 pandemic, mounting wildfires in California and the broader west coast over the past few years and erratic hurricane seasons stretching longer than ever before have sent a message in bold type: advance planning now is our best hope at avoiding these types of catastrophes, and until we address climate change head-on, the risks will only become greater.

For companies like Chevron, ExxonMobil and Phillips 66, continuing to invest in petrochemical infrastructure projects without appropriately addressing the risks involved, both environmental and financial, raised alarm bells for shareholders this year. All three corporations have invested in petrochemical projects in the Gulf Coast, where hurricanes can bring torrential rains and destructive flooding. During these increasingly common storms, damaged facilities and unscheduled shutdowns can lead to releases of hazardous chemicals like benzene and nitrogen oxide. In one week in the wake of Hurricane Harvey, the amount of chemicals released from “unplanned events” was equal to that of three average months.¹³ According to the Environmental Integrity Project, facilities owned by Chevron Phillips Chemical (a joint venture of Chevron and Phillips 66), ExxonMobil and Phillips 66 were among the facilities with the highest storm-related pollution.¹⁴

As if the human and environmental cost is not distressing enough, investors rightfully have a host of other concerns about these operations in light of the growing climate risk. Storm damage to equipment and facilities is costly to repair, and potential civil and regulatory liability for health and safety hazards as a result can put the companies under financial strain. Attendant reputational damage can have a real and negative impact on shareholder value.

This year, As You Sow used clients’ shares to ask Chevron, ExxonMobil and Phillips 66 to produce reports detailing their assessment of the public health risks associated with expanding their operations in areas especially vulnerable to climate change-related weather disasters. The resolutions went to a vote and received 54.7% at Phillips 66, 46.0% at Chevron and 24.5% at ExxonMobil.

The voting results from these resolutions show that investors are cognizant of these risks and are part of a larger trend of shareholder resolutions focused on accountability and transparency from corporations to help investors protect our planet, our communities and their investments.



Photo: Patrick Hendry

RESOLUTION:

“Report on **the public health risks of expanding petrochemical operations and investments** in areas increasingly prone to climate change-induced storms, flooding, and sea level rise.”

SUPPORTING STATEMENT:

“Investors request the company assess **the adequacy of measures the company is employing to prevent public health impacts** from associated chemical releases.”

OUTCOME:

Supported by **46.0% of shares at Chevron, 54.7% at Phillips 66 and 24.5% at ExxonMobil**, a strong result and signal to management that **investors are concerned about the growing risks of building petrochemical infrastructure** in areas facing more severe weather due to climate change. AYS will continue to engage with the company on the risks posed by their carbon emissions.

2020 Resolutions Summary

Status	Topic	Org.*	Company	Resolution Request	Outcome
Successfully Withdrawn	Antibiotics & Factory Farms	AYS	Costco	Report on progress in phasing out the routine use of medically important antibiotics in private-label meat supply chains	Agreed to disclose data on antibiotics used in its new chicken processing operation in Nebraska; AYS will continue to engage with Costco to negotiate an end to use of medically important antibiotics by Costco's private label beef, pork and poultry suppliers
Successfully Withdrawn	Antibiotics & Factory Farms	AYS	Wendy's	Disclosure of antibiotic use in meat supply chains	Agreed to disclose its goals for full visibility on the sources of beef in its supply chain and to set a goal to increase the percentage of beef sourced from beef free of medically important antibiotics; AYS will work with the company on its plan to reduce antibiotics use in its supply chain
Successfully Withdrawn	Climate Change	AYS	Bank of America	Report on risks from climate change and how addressing those risks	Agreed to enhance its climate risk reporting and provide AYS the opportunity to give input on its upcoming report as well as to assess methodologies to begin measuring the greenhouse gas (GHG) emissions associated with its financing
Successfully Withdrawn	Climate Change	AYS	Goldman Sachs	Report on risks from climate change and how addressing those risks	Agreed over the next year to continue to evaluate methodologies for measuring progress toward Paris alignment
Successfully Withdrawn	Climate Change	AYS	Marathon Petroleum	Report on risks from climate change and how addressing those risks	Committed to set a GHG intensity target to reduce its scope 1 and 2 emissions; company also committed to reassess the target as progress is made, to continued dialogue around increased climate ambition and to addressing its significant scope 3 emissions
Successfully Withdrawn	Climate Change	AYS	Morgan Stanley	Report on risks from climate change and how addressing those risks	Agreed over the next year to continue exploring and testing relevant portfolios using the Paris Agreement Capital Transition Assessment tool
Successfully Withdrawn	Climate Change	AYS	Southern Company	Report on how the company is responding to risk of stranded assets associated with climate change	Committed to enhance disclosures regarding its natural gas investments and steps it is taking to mitigate the climate impacts of those investments to align with its low-to-no-carbon goal

2020 Shareholder Resolution Sponsorship Report

Status	Topic	Org.*	Company	Resolution Request	Outcome
Successfully Withdrawn	Climate Change	AYS	Wells Fargo	Report on risks from climate change how addressing those risks	Agreed to update investors over the next year on its progress measuring GHG emissions associated with its financing with the intent to inform efforts to set a science-based target, and to provide AYS the opportunity to give input on its upcoming climate report
Successfully Withdrawn	Consumer Packaging	AYS	Republic Services	Adoption of stronger recycling programs and a restriction on waste exports	Agreed to issue a report on gaps in recycling infrastructure and ways to improve yield; similar to agreement reached with Waste Management
Successfully Withdrawn	Consumer Packaging	AYS	Starbucks	Meet the reuse and recycling goals it set 10 years ago but has failed to implement	Agreed to shift from single-use packaging to reusable packaging, conduct research to promote customer behavior change, develop new global reusable container goals and cut global packaging waste 50% by 2030
Successfully Withdrawn	Consumer Packaging	AYS	Waste Management	Adoption of stronger recycling programs and a restriction on waste exports	AYS was satisfied with what they learned through the engagement and with the reporting the company agreed to in their document titled "W.M. Recycling and Policy Proposal"
Successfully Withdrawn	Consumer Packaging	AYS	YUM! Brands	Adoption of on-site recycling and a ban on foam cups and plastic straws	Agreed to end use of harmful expanded polystyrene foam packaging globally by 2022
Successfully Withdrawn	Diversity, Equity & Inclusion	AYS	Ulta Beauty	Report on human capital management including diversity and inclusion	Committed to disclose more robust metrics on employee segments, including median hourly wages; voluntary and involuntary turnover ratios; gender percentages; EEO-1 racial and ethnic group categories; also agreed to meet and update AYS on progress
Successfully Withdrawn	Diversity, Equity & Inclusion	PI	Wyndham Hotels & Resorts	Report on policies and goals to reduce the gender pay gap	Listed adjusted and unadjusted gender pay gap data in its 2020 proxy and agreed to work with shareholders on developing annual public disclosure
Successfully Withdrawn	Diversity, Equity & Inclusion	PI	Dell	Report on Executive Leadership Team Diversity	Documented diversity efforts and agreed to ongoing dialogue with shareholders; 2019 Diversity and Inclusion report in combination with the company's Social Impact Plan for 2030 includes information requested by shareholders
Successfully Withdrawn	Executive Compensation	AYS	Capital One Financial	Strengthen ownership guidelines/holding requirements to align interests of executives with shareholders	Agreed to add post-termination holding requirements for the CEO and executive officers, who will generally be required to hold 50% of their ownership for one year after termination; strengthened ownership requirements, including by increasing the ownership requirement for the CEO
Successfully Withdrawn	GMOs & Pesticides	AYS	J. M. Smucker Co.	Disclose pesticide use in agricultural supply chains	Committed to implementing a pesticide risk reduction strategy through a phased approach and will update AYS on progress over the next year

Status	Topic	Org.*	Company	Resolution Request	Outcome
Successfully Withdrawn	GMOs & Pesticides	AYS	Kellogg Company	Disclose pesticide use in agricultural supply chains	Agreed to phase out pre-harvest glyphosate use in wheat and oats; agreed to develop metrics for reporting on pesticide use in supply chain; the company has shown good faith efforts to work with AYS on its disclosures and pesticide reduction goals
Successfully Withdrawn	Ocean Plastics	AYS	Occidental Petroleum	Report on plastic pellet pollution	Agreed to start reporting on pellet spills
Successfully Withdrawn	Sexual & Reproductive Health	AYS	Coca-Cola	Report on political spending related to company values and policies around sexual and reproductive health of employees	Committed to reviewing the benefits provided by its U.S. company-sponsored healthcare plans to determine if any Coca-Cola employee lacks equal access to medical procedures/services and/or benefits due to geographic location or state laws
Successfully Withdrawn	Sexual & Reproductive Health	RHIA	Delta Airlines	Report on political spending related to company values and policies around sexual and reproductive health of employees	Given the current coronavirus situation, AYS withdrew the resolution in exchange for a commitment to engaging in continued dialogue
Successfully Withdrawn	Sexual & Reproductive Health	AYS	Macy's, Inc.	Report on political spending related to company values and policies around sexual and reproductive health of employees	Willing to engage in a multi-faceted discussion concerning the matters referenced in the proposal
Successfully Withdrawn	Water Risk	AYS	Essex Property Trust	Report on water management risks	Complied fully with the terms of the proposal; recent corporate sustainability report fully integrated SASB reporting and met the terms of AYS' request
Brought to Vote	Antibiotics & Factory Farms	AYS	Walmart	Disclosure of antibiotics use in meat supply chains	Supported by 3.8% of shares (company is over 50% owned by the Walton family); AYS will adjust strategy for next year's resolution and will continue to engage
Brought to Vote	Climate Change	AYS	JPMorgan Chase	Report on risks from climate change how addressing those risks	Supported by 49.6% of shares; sends a strong message of concern about the company's position as the world's largest funder of fossil fuels in the face of growing climate risks; AYS will continue to engage
Brought to Vote	Consumer Packaging	AYS	Restaurant Brands	Adoption of on-site recycling and a ban on foam cups and plastic straws	Supported by 9.4% of shares; AYS will continue to engage
Brought to Vote	Consumer Packaging	AYS	The Kroger Company	Report on recyclable packaging	Supported by 38.4% of shares; strong vote demonstrates increased investor pressure on Kroger to improve its environmental stewardship policies
Brought to Vote	Consumer Packaging	AYS	Walmart	Phase out single-use plastic bags	Supported by 17.0% of shares; AYS will continue to engage
Brought to Vote	Corporate Purpose	AYS	BlackRock, Inc.	Implementation plan for new Business Roundtable "Purpose of a Corporation"	Supported by 3.9% of shares; AYS will continue to engage to ensure alignment between words and actions on topics like CEO pay and climate change

2020 Shareholder Resolution Sponsorship Report

Status	Topic	Org.*	Company	Resolution Request	Outcome
Brought to Vote	Corporate Purpose	AYS	McKesson Corporation	Implementation plan for new Business Roundtable "Purpose of a Corporation"	Supported by 8.2% of shares; AYS will continue to engage
Brought to Vote	Diversity, Equity & Inclusion	AYS	O'Reilly Automotive	Report on human capital management including diversity and inclusion	Supported by 66.0% of shares as shareholders increasingly recognize the importance of workforce diversity; AYS will continue to engage
Brought to Vote	Executive Compensation	AYS	Home Depot	Strengthen ownership guidelines/holding requirements to align interests of executives with shareholders	Supported by 26.4% of shares; AYS will continue to engage
Brought to Vote	Petrochemicals	AYS	Chevron	Report on public health risks of expanding petrochemical operations in climate impacted areas	Supported by 46.0% of shares, a strong result and signal to Chevron management; AYS will continue to engage with the company on the risks posed by their carbon emissions
Brought to Vote	Petrochemicals	AYS	ExxonMobil	Report on public health risks of expanding petrochemical operations in climate impacted areas	Supported by 24.5% of shares; AYS will continue to engage with the company on the risks posed by the expansion of its petrochemical operations
Brought to Vote	Petrochemicals	AYS	Phillips 66	Report on petrochemical risks	Supported by 54.7% of shares; strong vote shows that investors are concerned about the growing risks of building petrochemical infrastructure in areas facing stronger and more frequent storms and flooding worsened by climate change; AYS will continue to engage
Ongoing Engagement	Antibiotics & Factory Farms	AYS	Restaurant Brands	Disclosure of antibiotics use in meat supply chains	Responded well to dialogue and AYS expects to see progress in 2020; if the company is not able to keep up with peers in setting goals around antibiotics in beef for Burger King, AYS will file for 2021
Ongoing Engagement	Climate Change	AYS	Citigroup	Report on risks from climate change how addressing those risks	Making progress (is currently the only U.S. bank to have signed on to the Principles of Responsible Banking) and open to dialogue; AYS will continue engaging outside the shareholder resolution process
Ongoing Engagement	Climate Change	AYS	Duke Energy	Report on coal risks	AYS is holding productive dialogues outside the resolution process
Ongoing Engagement	Climate Change	AYS	Entergy Corp.	Report on risks from climate change how addressing those risks	Filing postponed; AYS is proceeding by engaging the company in dialogue and the company remains open to working with outside the shareholder resolution process
Ongoing Engagement	Consumer Packaging	AYS	Dunkin Brands	Issue a report on the feasibility of making all packaging recyclable and set a timetable for doing so	Switching from foam to paper, but there are no plans yet for paper cups to be recycled on-site; AYS decided not to file this year since they are in transition; AYS will be in dialogue with company during transition
Ongoing Engagement	Consumer Packaging	AYS	Target	Phase out single-use plastic bags	Making good progress since last request and has been willing to work with AYS to meet goals

Status	Topic	Org.*	Company	Resolution Request	Outcome
Ongoing Engagement	Executive Compensation	AYS	Interpublic	Strengthen ownership guidelines/holding requirements to align interests of executives with shareholders	Successfully negotiated; based on the company's commitments to extend conversation on executive ownership policies, including with the board and compensation consultants, AYS decided not to file; instead, AYS will continue dialogue with the company
Ongoing Engagement	Executive Compensation	AYS	O'Reilly Automotive	Strengthen ownership guidelines/holding requirements to align interests of executives with shareholders	Executive dialogue regarding broad range of compensation issues and context surrounding a large executive option sale were persuasive, agreed to bring AYS' best practice recommendations to the board
Ongoing Engagement	Forced Labor	AYS	Archer-Daniels Midland Co.	Report on forced labor risks	Receptive to dialogue; AYS will continue to engage outside of the resolution process
Ongoing Engagement	Forced Labor	AYS	The Hershey Co.	Report on slavery and human trafficking risks within sugar supply chain	Receptive to dialogue; AYS will continue to engage outside of the resolution process
Ongoing Engagement	Forced Labor	AYS	Mondelez International	Requests a report on slavery and human trafficking risks within sugar supply chain	Receptive to dialogue; AYS will continue to engage outside of the resolution process
Ongoing Engagement	Water Risk	AYS	Tesla, Inc.	Report on climate-related water risk, including strategies to mitigate risk	Given its strong relationships with senior members at the company, AYS felt it was more likely it would make progress with continued dialogue
SEC Decision	Climate Change	AYS	Chevron	Report on risks from climate change how addressing those risks	SEC granted company's request to exclude it on grounds of substantial implementation
SEC Decision	Climate Change	AYS	Devon Energy	Report on risks from climate change how addressing those risks	SEC granted company's request to exclude it on grounds of substantial implementation
SEC Decision	Climate Change	AYS	Dominion Resources	Report on risks from climate change how addressing those risks	SEC granted company's request to exclude it on grounds of substantial implementation
SEC Decision	Climate Change	AYS	ExxonMobil	Report on risks from climate change how addressing those risks	SEC granted company's request to exclude it; AYS will continue to educate the financial industry on the risks of Exxon's stranded assets and lack of plans to prepare for alignment with the Paris Agreement on Climate
SEC Decision	Climate Change	AYS	Hess	Report on risks from climate change how addressing those risks	SEC granted company's request to exclude on grounds of substantial implementation and micromanagement of ordinary business operations
SEC Decision	Climate Change	AYS	Sempra Energy	Report on risks from climate change how addressing those risks	SEC granted company's request to exclude it on grounds of substantial implementation
Pending	GMOs & Pesticides	AYS	Campbell Soup Co.	Disclose pesticide use in agricultural supply chains	This resolution is pending the corporation's annual meeting
Pending	Sustainability Disclosures	AYS	Autozone	Use Sustainability Accounting Standards Board's materiality standards in sustainability reporting	This resolution is pending the corporation's annual meeting

*The table above does not include resolutions that were cancelled without planned ongoing engagement. It is meant to show a sample of resolutions supported by Wetherby clients and is provided for illustrative purposes only; the companies listed may or may not be held in specific client accounts.

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SOURCES:

- 1 Business Roundtable. Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans.' 2019. <<https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>>
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