

Shareholder Engagement—Success Stories



Engagement is a core tenet of Wespath's sustainable investment activities. It is an opportunity to enter into constructive dialogue with companies and policy-makers on environmental, social and governance (ESG) issues that we believe improve shareholder value, while having a positive impact on the world around us. Acting on behalf of over \$23 billion in assets¹, Wespath uses its position to bring the UMC voice to the table in support of sustainable practices. The following success stories are the results of engagement in action!

¹ Combined assets of the funds made available through Wespath Benefits and Investments, and its subsidiary, Wespath Institutional Investments, as of March 31, 2019.

² <https://www.oxy.com/SocialResponsibility/>; <https://www.chevron.com/corporate-responsibility/climate-change>

³ <http://www.climateaction100.org/>

⁴ *CS Gender 3000*, Credit Suisse Research, Sept. 2016.

⁵ <http://www.30percentcoalition.org/>

Environmental



Wespath has engaged companies on climate issues for over two decades. Most recently, we encouraged **Chevron** and **Occidental Petroleum** to evaluate the global shift to a low-carbon future. After multi-year engagements, both published their first-ever climate risk reports. Chevron also created emissions reductions targets and linked those targets to its bonus structure.²



We magnify the shareholder voice by partnering with other likeminded investors. Through the **ClimateAction100+**, a group of over 300 global investors with a combined \$33 trillion in AUM, we engage the companies contributing most to global greenhouse gas emissions. These efforts led to increased support for the Paris Climate Agreement from oil and gas majors in 2019.³

Social



Wespath encourages companies to disclose information related to the rights of employees and people affected by business operations. In an engagement with **Caterpillar**, we urged the company to address the business risks associated with the use of its products in conflict areas. In response, Caterpillar conducted human rights impact assessments across all of its units and strengthened its human rights policy.



We are members of the **Investors for Opioid Accountability (IOA)**, a coalition of institutional investors representing \$3.5 trillion in AUM. The IOA engages with manufacturers, distributors, and pharmacies on the risks of opioids to society, the economy and shareholder value.

Governance



We have long felt, and the research demonstrates⁴, that diverse boards are more conducive of strong performance. Wespath holds membership in the **30% Coalition**, which advocates for gender diversity in the board room. Since 2012, more than 180 companies have added women to their boards through the Coalition's efforts.⁵



Wespath's engagement also takes the form of dialogue with policymakers. In 2018, we wrote to the **Securities and Exchange Commission** urging them to protect shareholder rights, including shareholder voting rights. Proxy voting is an integral element of our sustainable investment activities and represents an important tool in safeguarding long-term value.

