

2020 Proxy Voting Season? Better Than Expected!

Investors and corporations have good reason to be distracted from routine events such as annual shareholder meetings this year. We were skeptical that participants in the process would prioritize their commitment to environmental, social, and governance issues, but we are happy to have been proven wrong. **Early reports** from Institutional Shareholder Services point to a year of record-setting votes on environmental and social proposals and substantial withdrawals; First Affirmative's outcomes conform to this trend. Progress continues on a wide range of issues in spite of, or perhaps because of, ongoing events that have exposed the consequences of our collective failure to act on systemic failures — failures that, all too often, are the focus of advocacy efforts undertaken by our investor community.

Highlights: First Affirmative 2020 Shareholder Proposals

Capri Holdings -

We withdrew our sustainability reporting proposal at retailer Capri Holdings after productive dialogue and the **publication** of inaugural sustainability report that exceeded our expectations. We have in contact with the company on their lagging sustainability disclosure since 2018, and are pleased with the significant progress that they have made.

YUM Brands and Starbucks -

We co-filed these proposals addressing plastic waste in coordination with **Plastic Solutions Investor Alliance**. Both were withdrawn after significant commitments. Yum is **phasing out** polystyrene packaging, which has particularly toxic properties and lacks recyclability. Starbucks **agreed** to shift to reusable packaging and cut packaging waste 50 percent by 2030. Momentum to phase out single use plastics has been **challenged** by efforts to contain the Covid 19 pandemic, however, and Starbucks now **bans** reusable cups.

Political spending -

We partnered with Trillium Asset Management to file a unique proposal at retailer TJX requesting a report on their chemical footprint . First time proposals often receive support levels in the single digits, as investors need time to evaluate the issues addressed, and so we were stunned with the outcome-**almost 45% support!** This exceptional vote has implications for the retail industry as investors become increasingly aware that toxic chemical exposure **contributes** to the rate of chronic illnesses and increases susceptibility to other illnesses- including Covid- 19.

J.P. Morgan -

After disappointing dialogue with this banking behemoth regarding their position as the largest lender to the fossil fuel industry, we co-filed a proposal with As You Sow. It asked for a report describing if and how the Company will align its lending with maintaining global warming below 2 degrees Celsius. The company petitioned the SEC to exclude this proposal, citing current disclosures. The SEC disagreed, as did many investors — it garnered **near majority** support.

Amazon -

We refiled a food waste proposal at Amazon. The official vote count was 32.1%, but support excluding the over 12% of insider holdings was over 40%. Amazon faced 12 proposals covering a **wide range** of issues. Investors are scrutinizing worker safety as operations ramp up to accommodate high-volume caused by Covid-19 shutdowns. Investors, including First Affirmative, **gathered** to listen to concerned employees prior to the annual meeting.

Written by **Holly Testa**