

MEMORANDUM

To: Interested Parties

From: American Accountability Foundation

Date: September 23, 2024

Re: **The University of Texas/Texas A&M Investment Management Company's (UTIMCO) Asset Managers are Supporting a Woke ESG Agenda**

RESEARCH IMPACT: The research report below details the impact of ESG advocacy on University of Texas/Texas A&M Investment Management Company (UTIMCO) endowment funds. The research reveals that five asset managers for UTIMCO — Aperio Group, Cantillon, Generation Investment Management, GQG Partners, and JP Morgan Asset Management— are promoting:

- Decarbonization policies that could negatively impact the Texas energy industry.
- Divisive reports on racial justice and racial equity that could stigmatize and disadvantage white men, Asians, Jews, and other groups that may be disfavored by left-wing groups.
- Efforts to defund conservative groups and candidates that represent small businesses and mainstream Texans.
- Attempts to target gun and ammunition purchasers.
- Pro-union policies.

All told, this report identifies 159 votes cast by UTIMCO's asset managers in 2022 and 2023 at the annual shareholder meetings of public companies that advocate that companies adopt a woke, pro-ESG agenda.

How the ESG Movement Uses UTIMCO Endowment Funds to Push a Woke Agenda

If you are wondering why corporate America went so woke, so quickly, the answer to that question is simple – the ESG Movement – with “ESG” standing for environmental, social, and governance. The ESG Movement is comprised of a network of left-wing groups that have allied with seemingly mainstream Wall Street investment firms and proxy advisors.

This unlikely alliance of progressive activist groups and mainstream Wall Street firms and proxy advisors has culminated in a multi-year effort to force corporations across America to adopt woke policies. Whether it is DEI initiatives, climate alarmism, or efforts to defund conservative and pro-business organizations, the ESG Movement has been at the forefront of pushing these changes in recent years.



The primary tool used by the ESG Movement to advance their left-wing agenda in corporate America is the shareholder resolution. Each year at the annual shareholder meetings of public companies, shareholders can put forward resolutions to force action by corporate boards and management. While shareholder resolutions have typically been used to further good corporate governance practices and to maximize returns for shareholders, the ESG Movement has co-opted the shareholder resolution process to force companies to implement DEI, anti-oil and gas climate policy, and other radical social policy.

The mechanism is simple, liberal groups such as left-wing non-profits, unions, progressive state treasurers, and individual liberal activists purchase a de minimis number of shares in a public company for the purpose of qualifying to put forward a pro-ESG shareholder resolution. Large investment management firms and other institutional investors such as pension funds and endowment funds then use the stock holdings in the large investment funds they manage to vote in favor of the pro-ESG shareholder resolutions.

Importantly, UTIMCO allocates some of its assets to investment managers that endorse the ESG agenda and have used UTIMCO's assets to push a woke agenda. These five asset managers – Aperio Group, Cantillon, Generation Investment Management, GQG Partners, and JP Morgan Asset Management – combined manage \$3.976 billion for UTIMCO, according to an email AAF received in response to a Public Information Act request:

The total net asset value of UTIMCO assets under management for each of the requested managers as of 7/31/24 is set forth below (rounded to the nearest million).

Aperio Group - \$963 million
Cantillon - \$550 million
Generation Investment Management - \$535 million
GQG Partners - \$598 million
JP Morgan Asset Management - \$1,330 million


We deem this information to be fully responsive to your TPIA Request. Thank you for your interest in UTIMCO.

Best regards,

Lane

Lane Arnold
Senior Director | Legal

Email Address and Phone Number Redacted by AAF



**The University of Texas/Texas A&M
Investment Management Company**
210 West 7th Street, Suite 1700, Austin, TX 78701



In response to another Texas Public Information Act request asking for the proxy voting policies UTIMCO entered with each of these asset managers, UTIMCO provided the following response, which reveals that, with minor variations, UTIMCO (the "Investor") has required that each asset manager "exercise its reasonable judgment" with regards to proxy voting. We believe that this report shows that these asset managers are not exercising "reasonable judgement," but instead, using UTIMCO's funds to further the left-wing, pro-ESG agenda.

UTIMCO has not entered into proxy voting policies with the identified external managers. The investment advisory agreements between UTIMCO and the identified managers provide as follows:

1) Aperio Group

VOTING.

It is anticipated that the securities in the Accounts may have the occasion to vote or be required to give consents. If any such opportunities arise, Investor grants authority to Investment Advisor to exercise its reasonable judgment and to vote in accordance with the proxy voting policy of Investment Advisor, to vote or to refrain from voting any proxy, voluntary tender offer or similar corporate action notice relating to a security held in the Accounts that is received by Investment Advisor in a timely manner from the Designated Custodian. Investment Advisor shall have no authority or responsibility to take any action with regard to any claim or potential claim (including but not limited to proofs of claim) relating to any insolvency proceeding, class action, litigation or legal proceeding involving any asset or security (or issuer thereof) held at any time within the Accounts.

2) Cantillon

VOTING.

It is anticipated that the securities in the Account may have the occasion to vote or be required to give consents. If any such opportunities arise, Investor grants authority to Investment Manager to exercise its reasonable judgment and to vote in accordance with the proxy voting policy of Investment Manager.

3) Generation Investment Management

VOTING.

(a) It is anticipated that the securities in the Account may have the occasion to vote or be required to give consents. If any such opportunities arise, Investor grants authority to Investment Advisor, on the basis of the records and positions for the Account held by the Designated Custodian on which Investment Advisor may rely, to exercise its reasonable judgment and to vote in accordance with the proxy voting policy of Investment Advisor.

(b) Notwithstanding the foregoing, Investor or the Designated Custodian, and not Investment Advisor, shall have responsibility to make any filings in connection with any securities litigation or class action lawsuits involving securities held or that were held in the Account.

4) GQG Partners

VOTING.

It is anticipated that the securities in the Account may have the occasion to vote or be required to give consents. If any such opportunities arise, Investor grants authority to Investment Advisor to exercise its reasonable judgment and to vote in accordance with the proxy voting policy of Investment Advisor.

5) JP Morgan Asset Management

VOTING.

It is anticipated that the securities in the Account may have the occasion to vote or be required to give consents. If any such opportunities arise, Investor grants authority to Investment Advisor to exercise its reasonable judgment and to vote in accordance with the proxy voting policy of Investment Advisor.

Thank you for your interest in UTIMCO.

Best,

Lane

Lane Arnold

Senior Director | Legal

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UTIMCO and Its Asset Managers Support DEI Initiatives, Anti-Oil & Gas Climate Policies, Political Disclosures Targeting Conservatives, Pro-Abortion Proposals, Pro- Union Proposals, and a Proposal Targeting Gun Purchasers

The American Accountability Foundation sent a Texas Public Information Act request to UTIMCO requesting all reports of proxy votes cast by UTIMCO or its asset managers in 2022 and 2023. AAF reviewed these files for votes cast in support of woke corporate policies. All told we found 159 votes supporting policies such as racial and gender pay gap reports, efforts to defund conservative candidates and pro-business trade associations, radical climate policy, targeting of gun purchasers, and pro-abortion initiatives.

While reviewing all 159 problematic votes would be redundant, our research identified that the problematic votes primarily fall into five categories: racial and gender pay gap reports and audits, political contribution reports targeting conservatives, championing abortion rights, anti-oil and gas or "net zero" resolutions, targeting Second Amendment rights, and pro-union proposals. In this report, we will highlight some of the most problematic resolutions in these categories.

UTIMCO's Asset Managers Supported DEI and "Racial Justice" Proposals

Walmart – Report on Alignment of Racial Justice Goals and Starting Wages

On June 1, 2022, GQG Partners voted for a proposal, which called for a "Report on Alignment of Racial Justice Goals and Starting Wages" at Walmart:¹

Company Name	Ticker	Country	Primary Security ID	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Walmart Inc.	WMT	USA	931142103			6/1/2022	Report on Alignment of Racial Justice Goals and Starting Wages	Shareholder	For	GQG Partners

The proposal, introduced by the Franciscan Sisters of Perpetual Adoration, criticized Walmart for its insufficient progress on racial justice goals in relation to starting wages. The proposal argued that transparency and progress on racial equity are crucial, and that Walmart's lack of disclosure on wage levels and workforce demographics threatens the company's reputation and finances. Further, the resolution highlighted the company's commitment to "racial equity" through the Center for Racial Equity and its affirmation that "Black Lives Matter":²

PROPOSAL NO. 7

Report on Alignment of Racial Justice Goals and Starting Wages

¹ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 556)

² SEC EDGAR, [Walmart 2022 Proxy Statement](#)



The Franciscan Sisters of Perpetual Adoration and a various co-filers have advised us that it or an appointed representative will present the following proposal for consideration during the 2022 Annual Shareholders' Meeting.

RESOLVED: Shareholders of Walmart Inc. ("Walmart") request that the Board of Directors oversee the preparation of a public report on whether and how Walmart's racial justice goals and commitments align with the starting pay for all classifications of Walmart associates.

Supporting Statement

Today, there is a radically increased focus on racial injustice, following protests over police killings of Black people and the disproportionate impact of the COVID-19 pandemic on people of color, including in the workplace. Workers of color make up a larger proportion of essential workers and are more likely to lose their jobs because of the pandemic.¹

In 2021, in every region of the United States, a single adult without children needs at least \$31,200 to achieve a modest but secure standard of living.² The fiscal 2021 annual total compensation of Walmart's median associate was \$20,942.³ There has been public support for the proposed Raise the Wage Act which would help eliminate poverty-level wages by raising the national minimum wage to \$15 an hour and positively impact approximately 4.7 million retail workers.⁴

Walmart is committed to advancing racial equity, including through the creation of the Center for Racial Equity, with a goal to "help replace the structures of systemic racism, and build in their place frameworks of equity and justice that solidify our commitment to the belief that, without question, Black Lives Matter."⁵

More than 80 percent of Black Americans say it is very important for companies to pay a living wage.⁶ 48 percent of Walmart's hourly workers are people of color⁷ and the company acknowledges that "the overwhelming majority of our associates say their hourly wage is the most important part of their pay."⁸

In 2020 and 2021, Walmart raised wages and expanded benefits for many of its hourly associates.⁹ However, Walmart stated in its 2021 proxy statement that only about half of its United States hourly associates will earn at least \$15 an hour, putting it behind an increasing number of retailer peers who have raised their starting wages to at least \$15 an hour. Walmart is cited as one of the top five employers with the largest estimated number of non-disabled, non-elderly adult Medicaid and Supplemental Nutrition Assistance Program enrollees.¹⁰

Walmart has not disclosed the types of positions or the demographic breakdown of its hourly associates by wage level, which would track progress towards their racial equity commitments. Given the high turnover rate of store associates and the current competitive market for retail workers¹¹, we are concerned that this lack of transparency poses potential reputational and financial risks to our company.

Shareholders want to understand how Walmart is fulfilling its racial justice commitments by building equity for its associates through its wage structure.



Johnson & Johnson – Oversee and Report a Racial Equity Audit

At the April 2022 annual shareholder meeting of Johnson & Johnson, UTIMCO's asset manager, GQG Partners, voted for a resolution that called for the company to "Oversee and Report a Racial Equity Audit":³

Company Name	Ticker	Country	Primary Security ID	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Johnson & Johns	JNJ	USA	478160104			4/28/2022	Oversee and Report a Racial Equity Audit	Shareholder	For	GQG Partners

The text of the resolution calls for Johnson & Johnson to "combat systemic racism" and claims that "crucially, a racial justice audit examines the differentiated external impact a company has on minority communities":⁴

Item 7: Shareholder Proposal – Third Party Racial Justice Audit

The following shareholder proposal has been submitted to the Company for action at the Annual Meeting by Mercy Investment Services (Sisters of Mercy of the Americas), c/o Lydia Kuykendal, Director of Shareholder Advocacy, 2039 North Geyer Road, St. Louis, Missouri 63131, beneficial owner of at least \$2,000 worth of shares of the company's common stock. The affirmative vote of a majority of the shares voted at the Annual Meeting is required for approval of the shareholder proposal. The text of the proposal follows:

To combat systemic racism, corporations should recognize and remedy industry- and company-specific barriers to everyone's full inclusion in societal and economic participation. Racial gaps cost the U.S. economy an estimated \$16 trillion over the past twenty years.¹ Closing the Black- and Hispanic-white wealth gaps could add 4-6% to U.S. GDP by 2028.²

More than one year after many companies made commitments to racial justice, the practical outcomes remain unclear. Fifty corporate pledges totaling \$49.5 billion were characterized as falling short of addressing systemic racism after an August 2021 analysis.³ Shareholders lack independent assessments that racial equity strategies are impactful, address appropriate topics, and unlock growth.

Addressing systemic racism and its damaging economic costs demands more than a reliance on internal action and assessment. Audits engage companies in a process that internal actions alone may not replicate; unlocking hidden value and uncovering blind spots that companies may have to their own policies and practices. Company leaders are not diversity, equity, and inclusion experts and lack objectivity. Crucially, a racial justice audit examines the differentiated external impact a company has on minority communities.

Given the many companies across sectors embroiled in race-related controversies, any company without a comprehensive third-party audit and plan for improvement of its internal and external

³ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 536)

⁴ SEC EDGAR, Johnson & Johnson, [2022 Proxy Statement](#)



racial impacts could be at risk.⁴ Companies such as Facebook, Starbucks, Blackrock and Citi have committed to such audits, and practitioners have developed guidelines.⁵

Healthcare companies have a history with and ongoing struggle to address disparate racial impacts.

We are concerned about the ongoing controversies the company faces related to its 2020 decision to discontinue sales of talcum-based powder in North America, but continue sales globally. Claims that it aggressively marketed to Black and Brown women after its talc supplier included the WHO's "possibly carcinogenic" label on shipments are troubling.⁶ Organizations from 51 countries called on the company to halt sales worldwide. Yet, the most visible response to date was its attempt to use U.S. bankruptcy to shield liabilities from product lawsuits.

In addition, the recent criticism the company received for reportedly prioritizing export of COVID-19 vaccines from South Africa to wealthier nations over the fulfillment of its contract to distribute the vaccines locally, suggests a troubling blind spot.⁷

Resolved, shareholders urge the board of directors to oversee a third-party audit (within a reasonable time and at a reasonable cost) which assesses and produces recommendations for improving the racial impacts of its policies, practices and products, above and beyond legal and regulatory matters. 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.

UTIMCO's Asset Managers Supported Pro-Abortion Proposals

Meta Platforms – Report on Data Privacy Regarding Reproductive Healthcare

On May 31, 2023, UTIMCO's asset manager, GQG Partners, voted in favor of a resolution at Meta Platforms that called for a "report on data privacy regarding reproductive healthcare."⁵

Company Name	Ticker	Country	Primary Security ID	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Meta Platforms	META	USA	30303M102			5/31/2023	Report on Data Privacy regarding Reproductive Healthcare	Shareholder	For	GQG Partners

This shareholder resolution derided the Supreme Court's 2022 *Dobbs* decision as "the revocation of the constitutional right to an abortion" and requested that Meta "issue a public report assessing the feasibility of diminishing the extent that the Company will be a target of abortion-related law enforcement requests":⁶

Proposal Nine: Shareholder Proposal Regarding Report on Reproductive Rights and Data Privacy

The proponent of this resolution is Arjuna Capital on behalf of Frank Konhaus and Ellen Cassilly.

⁵ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 506)

⁶ SEC EDGAR, Meta Platforms, [2023 Proxy Statement](#)



Reproductive Rights and Data Privacy

WHEREAS: Following the revocation of the constitutional right to an abortion in June 2022, federal policymakers and legislators are concerned about the use of personal digital data for the enforcement of state laws that ban or restrict abortion access.

Law enforcement may demand data seeking evidence of consumer acts that were legal in the state where they occurred, but illegal in the consumer's state of residence, such as purchasing abortifacients. Experts on reproductive rights and privacy have also "documented how police and prosecutors wield laws and data" to camouflage that their data demands are for abortion-related criminal charges.¹

In one example from 2022, Meta satisfied a Nebraska police warrant demanding access to private Facebook messages from a mother facing felony charges for allegedly helping her daughter terminate a pregnancy.² Meta received significant negative press, responding, in part, that the Company had "received valid legal warrants from local law enforcement . . . [that] did not mention abortion at all."³

Law enforcement's reliance on digital consumer data is increasingly common. In the first half of 2022 alone, Meta received 69,363 U.S.-based government requests, most involving criminal matters. The Company at least partially complied with about 88 percent of those requests,⁴ stressing that even careful scrutiny of law enforcement data demands by Meta may still expose consumers involved in abortion-related acts to criminal prosecutions. To protect consumers and the Company's reputation, Meta would need to decrease the potentially personal sensitive information it collects and retains from users.

Meta already complies with "deletion rights" under California law, wherein consumers may request the Company delete personal data it is not legally required to retain.⁵ Facebook, WhatsApp and Instagram further offer the option of using end-to-end encryption in personal messages as a method of secure communication that prevents third parties from easily accessing data. Despite these efforts, and although Meta conducts periodic privacy risk assessments,⁶ the Company has not disclosed whether there are privacy risks concerning abortion-related law enforcement data demands.

RESOLVED: Shareholders request our Board issue a public report assessing the feasibility of diminishing the extent that the Company will be a target of abortion-related law enforcement requests by expanding consumer privacy protections and controls over sensitive personal Meta user data. The report should be produced at reasonable expense, exclude proprietary or legally privileged information, and be published within one year of the annual meeting.

SUPPORTING STATEMENT: Shareholders recommend the Board receive input from reproductive rights and civil liberties organizations, and the report include, at board discretion:

(1) An assessment of the implementation of a global, nationwide, or regionally based, data privacy policy wherein consumers would have "deletion rights;"

(2) An evaluation of the related risks and benefits of establishing a default policy enabling end-to-end encryption on all Facebook Messenger chats.

Vote YES on this proposal to support consumer privacy expectations as well as the Company's brand and goodwill.



Walmart – Report on Impacts of Restrictive Reproductive Healthcare Legislation

On June 1, 2022, UTIMCO's asset manager, GQG Partners, voted in favor of a resolution at Walmart that called for a "Report on Impacts of Restrictive Reproductive Healthcare Legislation"⁷

Company Name	Ticker	Country	Primary Security ID	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Walmart Inc.	WMT	USA	931142103			6/1/2022	Report on Impacts of Restrictive Reproductive Healthcare Legislation	Shareholder	For	GQG Partners

The proposal, from Clean Yield Asset Management, characterized state efforts to limit abortions as restrictions on “access to abortion and broader reproductive rights” and specifically highlighted Arkansas’ abortion trigger law, claiming that the law may harm Walmart’s “ability to meet diversity and inclusion goals, with negative consequences to performance, brand and reputation.” The resolution called on Walmart to issue a report “detailing any known and any potential risks and costs to the Company caused by enacted or proposed state policies severely restricting reproductive rights, and detailing any strategies beyond litigation and legal compliance that the Company may deploy to minimize or mitigate these risks”.⁸

PROPOSAL NO. 6

Report on Impacts of Reproductive Healthcare Legislation

Clean Yield Asset Management, on behalf of Julie Kalish, has advised us that it or an appointed representative will present the following proposal for consideration during the 2022 Annual Shareholders’ Meeting.

Access to abortion is being challenged at the state and federal level in the U.S. A patchwork of laws regulates access to abortion and broader reproductive rights. Since 2011, state legislatures have passed more than 600 restrictive laws.¹ Other states have enacted legislation that protects these rights. Eleven states ban abortion coverage in all state-regulated private insurance plans, while six states require private insurance plans to cover abortion.²

Walmart Inc. (“Walmart”) has operations in all fifty states, subject to this patchwork of laws. Should Roe v. Wade be weakened or overturned, as is widely anticipated, Walmart employees will face challenges accessing abortion care. As of October 2021, 60% of Walmart’s 5,342 stores in the U.S. were in states that could immediately prohibit abortion entirely under this scenario.

Employers as well as employees bear the cost of restricted access to health reproductive health care. For example, women who cannot access abortion are three times more likely to leave the workforce than women who were able to access abortion when needed.³ The Institute for Women’s Policy Research estimates that state-level abortion restrictions annually keep more than 500,000 women aged 15 to 44 out of the workforce.⁴ (<https://bit.ly/3Dt5bQq>)

If Roe vs. Wade weakened or overturned, Arkansas is likely to outlaw abortion entirely.⁵ Should that occur, Walmart may find it more difficult to recruit employees to Arkansas, or to the 20+ states now considered likely to outlaw abortion if Roe is overturned.⁶ (<https://bit.ly/3Ctj3ZI>) This may harm its

⁷ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 555)

⁸ SEC EDGAR, Walmart, [2022 Proxy Statement](#)



ability to meet diversity and inclusion goals, with negative consequences to performance, brand and reputation.

In a nationwide survey of U.S. consumers in 2021, 64% said employers should ensure that employees have access to the reproductive health care they need, and 42% would be more likely to buy from a brand that publicly supported reproductive health care.⁷ (<https://bit.ly/3nmzd2U>) Surveys consistently show that a majority of Americans want to keep the Roe v. Wade framework intact.⁸ (<https://wapo.st/3cmRLK2>)

RESOLVED: Shareholders request that Walmart Board of Directors issue a public report prior to December 31, 2022, omitting confidential and privileged information and at a reasonable expense, detailing any known and any potential risks and costs to the Company caused by enacted or proposed state policies severely restricting reproductive rights, and detailing any strategies beyond litigation and legal compliance that the Company may deploy to minimize or mitigate these risks.

SUPPORTING STATEMENT: Shareholders recommend that the report evaluate any risks and costs to the company associated with new laws and legislation severely restricting reproductive rights, and similar restrictive laws proposed or enacted in other states. In its discretion, the board's analysis may include any effects on employee hiring, retention, and productivity, and decisions regarding closure or expansion of operations in states proposing or enacting restrictive laws and strategies such as any public policy advocacy by the company, related political contributions policies, and human resources or educational strategies.

UTIMCO's Asset Managers Voted for Initiatives in Support of Climate Alarmism

Chevron – Issue Audited Net-Zero Scenario Analysis Report

At the May 25, 2022 annual shareholder meeting of Chevron Corporation, UTIMCO's asset manager, JP Morgan Asset Management, voted for a resolution that called for Chevron to issue an "Audited Net-Zero Scenario Analysis Report":⁹

Company Name	Ticker	Country	Primary Security	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Chevron Corporation	CVX	USA			3E+06	25-May-2022	Issue Audited Net-Zero Scenario Analysis Report	Shareholder	For	JP Morgan Asset Management

The resolution cited the International Energy Agency's (IEA) Net Zero Scenario, which found that "no new investment in fossil supply projects is needed" and claimed that there is "a converging consensus by policymakers, investors, and companies on growing climate risk" and a "need to limit global temperature increase to 1.5° C (net zero global greenhouse gas (GHG) emissions by 2050)":¹⁰

Stockholder proposal to report on impacts of net zero 2050 scenario (Item 6 on the proxy card)

Whereas: Markets require information to operate and deploy capital effectively. In 2019 and 2020, global and U.S. accounting and auditing standard-setters reiterated that material climate-related risks should be accounted for in company financial statements and audits.^{1,2,3} Major investor groups,

⁹ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 115)

¹⁰ SEC EDGAR, Chevron, [2022 Proxy Statement](#)



representing assets worth over \$103 trillion, have also called on companies and auditors to fully reflect climate risks to companies' financial results and position.⁴

These concerns reflect a converging consensus by policymakers, investors, and companies on growing climate risk, the need to limit global temperature increase to 1.5° C (net zero global greenhouse gas (GHG) emissions by 2050),⁵ and the impact of such actions to companies.

The International Energy Agency's (IEA) Net Zero Scenario describes an energy sector pathway to achieve net zero emissions. The Scenario finds that no new investment in fossil supply projects is needed, and anticipates oil prices dropping as low as \$36/barrel in 2030 and \$24/barrel in 2050.⁶

Given these global climate imperatives, to best allocate investments, investors are calling for information to assess the financial impacts of climate-related physical and transition risks on companies and identify companies best positioned to thrive in a low carbon economy. Yet, more than 70% of listed companies, representing some of the world's largest carbon-polluters, are not fully accounting for climate-related risks in their financial statements.⁷

Chevron continues to develop new fossil fuel resources while acknowledging climate related risks⁸ that could lead to increased future impairments. Despite the materiality of this issue, Chevron's audited annual disclosures do not currently provide investors with sufficient insight into assumptions used to assess productive assets for impairment and stranded asset risk. Further, an independent 2021 analysis concluded that Chevron's financial statements lack the requisite transparency about climate-related assumptions and estimates, and that the company does not appear to use Paris-aligned assumptions and estimates.⁹

In contrast, peers (Shell, bp, TotalEnergies) have released more transparent disclosures in their audited financial statements, articulating the extent of consideration of climate change contingencies and risks.¹⁰

Accurate accounting assists investors in understanding the drivers of risk and return. Investors seek additional information from Chevron to understand the impact of climate-related factors on its business model and current financial reporting.

RESOLVED: Shareholders request Chevron's Board of Directors provide an audited report addressing how application of the assumptions of the IEA's Net Zero by 2050 pathway would affect the assumptions and estimates underlying its financial statements, including its long-term commodity and carbon prices, remaining asset lives, existing and future asset retirement obligations, capital expenditures, and asset valuations (impairments). The report should be produced at reasonable cost and omitting proprietary information.

ExxonMobil – GHG Reporting on Adjust Basis

At the May 2023 annual shareholder meeting of ExxonMobil, UTIMCO's asset manager, Aperio Group, voted in favor of a resolution calling for "GHG Reporting on Adjusted Basis":¹¹

¹¹ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 395)



Company Name	Ticker	Country	Primary Security	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
EXXON MOBIL CORP	XOM	United S	30231G102			31-May-2023	GHG Reporting on Adjusted Basis	Shareholder	For	Aperio Group

This resolution, introduced by Andrew Behar – the CEO of the far-left, Berkeley, California based activist group, As You Sow – claimed that “the economic risks associated with climate change exist in the real world rather than on company balance sheets” and that asset divestitures do not “mitigate company or stakeholder exposure to climate risk or contribute to the goal of limiting global temperature rise to 1.5 degrees Celsius”:¹²

Item 11 – GHG Reporting on Adjusted Basis

This proposal was submitted by Andrew Behar, 2020 Milvia St., Suite 500, Berkeley, California 94704, the beneficial owner 40 shares for at least three years, and lead proponent of a filing group.

“WHEREAS: The economic risks associated with climate change exist in the real world rather than on company balance sheets. Transferring emissions from one company to another may reduce balance sheet emissions but does not mitigate company or stakeholder exposure to climate risk or contribute to the goal of limiting global temperature rise to 1.5 degrees Celsius. In the aggregate, upstream oil and gas assets are moving from operators with stronger climate commitments to operators with weaker climate targets and disclosures.”¹

The Glasgow Financial Alliance for Net Zero states that ‘divestment of carbon-intensive assets can be ineffective and even lead to real-world increases in emissions.’² As such, these divestments should not be counted as emissions reductions.

To accurately account for greenhouse gas (GHG) emissions reductions, the Greenhouse Gas Protocol provides that companies should recalculate base year emissions in the event of a ‘transfer of ownership or control of emissions-generating activities.’³ Oil and gas industry association IPIECA similarly recommends ‘adjustments to the base year emissions’ to account for asset divestiture, to avoid giving the appearance of ‘increases or decreases in emissions, when in fact. . . emissions would merely be transferred from one company to another.’⁴

Since 2016, ExxonMobil reports absolute Scope 1 and 2 emissions reductions of roughly 10% on both equity and operated bases.⁵ However, between 2017 and 2021, ExxonMobil sold more assets than any other American oil and gas company except Chevron, ranking fourth globally among sellers.⁶ It is unclear how ExxonMobil accounts for these divestitures in its emissions reporting. Therefore, shareholders cannot determine whether ExxonMobil’s reported GHG reductions are the result of operational improvements or of transferring emissions off its books.

In contrast, peer company Devon Energy recalculates its baseline when asset divestitures or investments result in ‘a change to its emissions baseline of 5% or higher’ to ensure accuracy and comparability of emissions reporting.⁷ Devon notes that this ‘recalculation methodology affirms our commitment to structurally drive down emissions, rather than divesting assets as a means to

¹² SEC EDGAR, ExxonMobil, [2023 Proxy Statement](#)




achieve our ambitious emissions reduction targets.¹³ Investors deserve the same transparency from ExxonMobil.

RESOLVED: Shareholders request that ExxonMobil, at reasonable cost and omitting proprietary information, disclose a recalculated emissions baseline that excludes the aggregated GHG emissions from material asset divestitures occurring since 2016, the year ExxonMobil uses to baseline its emissions.

SUPPORTING STATEMENT: Proponents recommend disclosing, at management's discretion:

- The emissions associated with ExxonMobil's material asset divestments since 2016;
- What portion, if any, of ExxonMobil's current emissions reduction targets relies on accounting for asset transfers as emissions reductions;
- A base year emissions recalculation policy establishing a threshold for future recalculations related to divestitures.

Andrew Behar is a radical left-wing activist that focuses on “compelling” companies to adopt policies on “climate change,” “diversity, equity, and inclusion,” “racial justice,” and “wage equity”.¹³



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Andrew Behar is CEO of **As You Sow**, the nation's leading non-profit practitioner of shareholder advocacy and engagement. With a 30-year track record of success, *As You Sow* advances values-aligned investing and uses shareholder power to compel companies to reduce material risk on issues including climate change; toxins in the food system; ocean plastics; diversity, equity, and inclusion; racial justice; and wage equity. Previously Andrew was a documentary filmmaker and entrepreneur founding start-ups that developed innovative physiological monitoring devices and grid-scale fuel cells. He is an **inventor on five patents** and was recently named as one of the **Purposeful-50** “true changemakers who deliver on social justice, environmental protection, diversity, inclusion, racial equality, and gender and pay equity.” He is currently on the **Sustainable Media Center** Board of Advisors. He is the author of the book, *The Shareholders Action Guide: Unleash Your Hidden Powers to Hold Corporations Accountable*, published by Berrett-Koehler.

¹³ As You Sow, [Andrew Behar](#)



Raytheon Technologies – Report on Efforts to Reduce GHG Emission in Alignment with Paris Agreement Goal

At the May 2023 annual shareholder meeting of Raytheon Technologies (now known as RTX Corporation), UTIMCO's asset manager, JP Morgan Asset Management, voted in favor of a resolution calling for the company to issue a "report on efforts to reduce GHG emissions in alignment with Paris agreement goal."¹⁴

Company Name	Ticker	Country	Primary Ser	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Raytheon Technologies Corporation	RTX	USA			BMSM	02-May-2023	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	Shareholder	For	JP Morgan Asset Management

This resolution, introduced by Minnesota Valley Trust, chastised Raytheon for not establishing "1.5°C aligned reduction goals that cover all segments of its business, including its Scope 3 value-chain emissions, which comprise over 85% of company emissions":¹⁵

WHEREAS: Climate change is creating systemic economic, environmental, and social risks. The Commodity Futures Trading Commission recently underscored that climate change could impair the productive capacity of the U.S. economy.^[1] According to the IPCC, the window for limiting global warming to 1.5 degrees Celsius (1.5°C) and avoiding the worst impacts of climate change is quickly narrowing. Immediate, sharp emissions reduction is required of all market sectors.^[2]

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of over 700 investors with \$60 trillion in assets, issued a Net Zero Benchmark ("Benchmark") outlining metrics that create climate accountability for companies and transparency for shareholders. Expectations include setting a net zero ambition, adopting 1.5°C aligned reduction goals across all relevant emission scopes, and disclosing decarbonization strategies.^[3]

Credible climate transition planning protects against financial risk, increases economic opportunity, and prepares companies to address climate regulations which continue to expand globally.^[4] More than 70 countries have now established Net Zero by 2050 commitments.^[5] Similarly, in response to the aerospace industry's 2.4% contribution to global annual carbon dioxide emissions, NATO's leaders have committed to reduce defense emissions.^[6] As governments strive to reach their climate goals, companies with net zero aligned business models will be in a better competitive position to attract contracts and customers.

As a leading global security and aerospace company, Raytheon Technologies creates significant carbon emissions from its value chain and is exposed to numerous climate-related risks. Failing to respond to this changing environment may make Raytheon less competitive and have a negative effect on its cost of capital and shareholders' financial returns.

While our Company has committed to reduce its operational emissions by 46% by 2030, Raytheon has not established 1.5°C aligned reduction goals that cover all segments of its business, including its

¹⁴ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 216)

¹⁵ SEC EDGAR, [Raytheon Technologies 2023 Proxy Statement](#)



Scope 3 value-chain emissions, which comprise over 85% of company emissions. By setting science-based reduction targets for its Scope 1-3 emissions, disclosing a decarbonization plan, and demonstrating progress toward achieving them, Raytheon can provide investors with assurance that it is reducing its climate contribution and addressing the physical, transition, and competitive risks associated with climate change.

RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how the Company intends to reduce its full value chain greenhouse gas emissions in alignment with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the report include:

1. Disclosure of all relevant Scope 3 emissions;
2. A timeline for setting 1.5°C aligned Scope 3 reduction goals;
3. A climate transition plan to achieve emissions reductions goals across all relevant emissions scopes;
4. Annual reports demonstrating progress towards meeting emissions reduction goals;
5. Other information the Board deems appropriate.

The Travelers Companies – Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting

At the May 2022 annual shareholder meeting of The Travelers Companies, UTIMCO's asset manager, JP Morgan Asset Management, voted in favor of a proposal which called for a "Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting":¹⁶

Company Name	Ticker	Country	Primary Sec	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
The Travelers Companies, Inc.	TRV	USA		3E+06		25-May-2022	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	Shareholder	For	JP Morgan Asset Management

The proposal, introduced by the aforementioned far-left activist group, As You Sow, stated that "shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities" and called for a report on "how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5 C goal, requiring net zero emissions":¹⁷

¹⁶ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 198)

¹⁷ SEC EDGAR, The Travelers Companies, [2022 Proxy Statement](#)



As You Sow, located at 2020 Milvia St., Suite 500, Berkeley, CA 94704, has advised us that it plans to introduce the following resolution on behalf of Booth Investments, LLC. Booth Investments, LLC is the beneficial holder of more than \$2,000 of the Company's common stock.

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degree Celsius (1.5°C) goal, requiring net zero greenhouse gas (GHG) emissions by 2050. Projections have found that limiting global warming to 1.5 degrees versus 2 degrees will save \$20 trillion globally by 2100; while exceeding 2 degrees could lead to climate damages in the hundreds of trillions.² The U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities.³

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers' profitability. The U.S. Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy and recommends that state insurance regulators require insurers to assess how their underwriting activity and investment portfolios may be impacted by climate-related risks.

This growing public pressure for the insurance industry to account for its climate related risks is exemplified by recent legislation passed in Connecticut⁴ requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

Shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities. This failure creates significant risk to Travelers, investors, and the global climate. Travelers' pretax catastrophe losses more than doubled Q1 2021. Travelers reported losses of \$835 million, an historic first quarter high, mainly attributable to winter and windstorms in the U.S.⁵ This follows a larger global trend: insured losses from natural disasters reached \$42 billion in the first six months of 2021, a ten year high.⁶

Travelers is a climate laggard in the global insurance sector, scoring at the bottom in a survey of the 30 largest global insurers.⁷ In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities.⁸ Further, thirteen global insurers have joined the United Nations' Net Zero Insurance Alliance, committing to transition emissions from their insurance and reinsurance underwriting portfolios to net zero by 2050.

Travelers does not measure or disclose its financed emissions, including those attributable to underwriting, insuring, and investments, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal for such emissions.

BE IT RESOLVED: Shareholders request that Travelers issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose at board discretion:

- Whether Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when, and
- Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions. and on what timeline



UTIMCO's Asset Managers Supported Pro-Union Proposals

Tesla – Adopt a Policy on Respecting Rights to Freedom of Association and Collective Bargaining

At the August 2022 annual shareholder meeting of Tesla, JP Morgan Asset Management, an asset manager for UTIMCO, voted in favor of a resolution calling for Tesla to “adopt a policy on respecting rights to freedom of association and collective bargaining”:¹⁸

Company Name	Ticker	Country	Primary Sesi	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Tesla, Inc.	TSLA	USA		B616C	04-Aug-2022		Adopt a Policy on Respecting Rights to Freedom of Association and Collective Bargaining	Shareholder	For	JP Morgan Asset Management

The resolution claimed that “freedom of association and collective bargaining are fundamental human rights protected by national and international legal standards including the ILO Fundamental Principles and the UN Universal Declaration of Human Rights” and that “the transition to a low-carbon future cannot come at the expense of workers’ rights” and resolved that Tesla adopt a “commitment to non-interference when employees exercise their right to form or join trade unions”:¹⁹

PROPOSAL ELEVEN

STOCKHOLDER PROPOSAL REGARDING ADOPTION OF A FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING POLICY

Stockholder Proposal and Supporting Statement

RESOLVED: the Board of Directors of Tesla, Inc. (“Tesla” or “the company”) to adopt and publicly disclose a policy on its commitment to respect the rights to freedom of association and collective bargaining in its operations, as reflected in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (“Fundamental Principles”). The policy should:

- Be applicable to Tesla’s direct operations and subsidiaries globally;*
- Include a commitment to non-interference when employees exercise their right to form or join trade unions;*
- Prohibit any member of management or agent of Tesla from undermining the right to form or join trade unions or pressuring any employee from exercising this right;*

¹⁸ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 203)

¹⁹ SEC EDGAR, Tesla, [2022 Proxy Statement](#)



· Describe the ongoing due diligence process Tesla will use to identify, prevent, mitigate and account for any violations of these rights, including how it will remedy any misaligned practices.

SUPPORTING STATEMENT: Freedom of association and collective bargaining are fundamental human rights protected by national and international legal standards including the ILO Fundamental Principles and the UN Universal Declaration of Human Rights.

The ability of workers to organize, act concertedly, and engage in collective bargaining is an important human right that can be a net positive for companies and investors.

Despite a recent public invitation¹ by the company's CEO for labor unions to organize a vote at Tesla's California factory without interference, Tesla does not have any formal policy commitments to respect the right to freedom of association, nor has it demonstrated how it would effectively operationalize such a commitment. While the Company's Supplier Code of Conduct² articulates the Company's expectations of suppliers in this regard, it has no corresponding policies for its own operations.

In fact, the Company has been accused of limiting the exercise of fundamental labor rights through tactics of interference,³ intimidation,⁴ and retaliation against employees involved in unionization efforts. In 2021, the National Labor Relations Board upheld⁵ a 2019 ruling that Tesla illegally fired a worker involved in union organizing, and that the CEO had illegally threatened workers regarding unionization.

These allegations, against the backdrop of claims of racial discrimination and sexual harassment⁶ by former Tesla employees and reports of poor working conditions,⁷ represent material reputational, legal and operational risks to its shareholders. Allegations of interference with unionization efforts, and resulting regulatory enforcement, at other⁸ companies⁹ further demonstrate the significance of these risks.

The transition to a low-carbon future cannot come at the expense of workers' rights. It is crucial for shareholders to understand how Tesla's policies and practices respect fundamental labor rights. Greater transparency on these issues would help address concerns about the company's reputation, clarify its commitment to basic human rights, enable investors to perform their own due diligence according to their fiduciary duty and protect long-term shareholder value.

We urge fellow shareholders to vote FOR this resolution.

UTIMCO's Asset Managers Voted to Defund Corporate PAC Contributions to Conservatives

Cigna – Report on Congruency of Political Spending with Company Values and Priorities

On April 26, 2023, UTIMCO's asset manager, GQG Partners, voted for a proposal which requested that Cigna produce a "Report on Congruency of Political Spending with Company Values and Priorities":²⁰

²⁰ [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 470)



Company Name	Ticker	Country	Primary Sec	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
The Cigna Group	CI	USA	125523100			4/26/2023	Report on Congruency of Political Spending with Company Values and Priorities	Shareholder	For	GQG Partners

The report was to assess how Cigna's political contributions align with its stated corporate values, including contributions to groups and elected officials who support pro-life values and secure elections. Specifically, it targets Cigna's contributions to Members of Congress who voted against the certification of the 2020 election. **It also specifically mentioned 16 contributions Cigna made to members of the Texas Legislature who**, in their words, "made it illegal to insure abortion in the state":²¹

POLITICAL CONTRIBUTIONS MISALIGNMENT

Whereas:

Cigna has stated "All of Cigna's government relations engagements, including political contributions, are intended to be constructive and nonpartisan with an aim to advancing public policies that we believe support the greater societal good of a more affordable, predictable and simple health care system for all patients and communities. Cigna also stands for diversity, inclusion, equity and equality; our public policy activities are an extension of that commitment," and "Some considerations are so foundational that they transcend all matters of public policy...CignaPAC will not support any elected official who encourages or supports violence or discrimination in any form.

However, Cigna's political expenditures appear to be misaligned with the company's values and vision.

- *Cigna pledged to discontinue support to the 147 members of Congress who voted against certifying the 2020 election results. Yet according to Accountable.US, during the 2022 election cycle Cigna contributed over \$70,000 to these members of Congress and has continued to support political committees that fundraise for them. Cigna also contributed to Georgia lawmakers who enacted legislation making it more difficult to access absentee voting ballots.*
- *Cigna promotes gender equity in the workplace, and more than three-quarters of its workforce is female. Yet in the 2020-2022 election cycles, Cigna and its employee PACs donated at least \$2.6 million to politicians and political organizations working to weaken women's access to reproductive health care, **including 16 direct donations during the 2022 election cycle to Texas legislators who voted in favor of Texas SB 8 (2021), which made it illegal to insure abortion in the state.***

These inconsistencies have been noted by Forbes, Washington Post, Popular.Info, MSNBC and other media.

Proponents believe that Cigna should establish policies and reporting systems that minimize risk to the firm's reputation and brand by addressing possible missteps in corporate electioneering and political spending that contrast with its stated objectives.

Resolved

²¹ SEC EDGAR, The Cigna Group, [2023 Proxy Statement](#)



Shareholders request that Cigna publish an annual report, at reasonable expense, analyzing the congruence of political, lobbying, and electioneering expenditures during the preceding year against publicly stated company values and policies, listing and explaining any instances of incongruent expenditures, and stating whether the identified incongruencies have led to a change in future expenditures or contributions.

Supporting Statement

Proponents recommend that such report also contain management's analysis of risks to our company's brand, reputation, or shareholder value of expenditures in conflict with publicly stated company values. "Electioneering expenditures" means spending, from the corporate treasury and from the PACs, directly or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.

While a report on political contributions and expenditures might sound benign enough on the surface, as the American Accountability Foundation revealed in a [report](#) last summer, these reports on political contributions and lobbying expenditures are used for the purpose of bullying companies into ceasing contributions to conservative candidates and organizations, as well as to trade associations and other pro-business groups. As our report stated, the intent of these resolutions is "to force companies to **name** trade associations, think tanks, other nonprofits, political committees, and candidates they support, so the woke mob can later **shame** companies for supporting them."

UTIMCO's Asset Manager, Generation Investment Management (Founded by Al Gore), Voted to Target Gun Buyers

Mastercard – Report on Establishing Merchant Category Code for Gun and Ammunition Stores

At the June 2023 annual shareholder meeting of Mastercard, UTIMCO's asset manager, Generation Investment Management, voted for a shareholder resolution which called for a "Report on Establishing Merchant Category Code for Gun and Ammunition Stores".²²

Company Name	Ticker	Country	Primary Sex	ISIN	SEDOL	date of meeting	proposal text	proponent	vote instruction	Manager
Mastercard Incorporated	MA	USA		57636Q104		6/27/2023	Report on Establishing Merchant Category Code for Gun and Ammunition Stores	Shareholder	For	Generation Investment Management

Importantly, Generation Asset Management was co-founded by former vice president-turned climate alarmist, Al Gore.²³ As stated on page 2 of this report, **UTIMCO had \$535 million in assets managed by Generation Investment Management** as of July 31, 2024.

²² [UTIMCO Proxy Votes](#), Obtained by TX Public Information Act Request (Line 451)

²³ Generation Investment Management, [Our Leadership](#), Al Gore





Chairman
Al Gore

Former Vice President Al Gore is a Founding Partner and Chairman of Generation Investment Management. He was inaugurated as the forty-fifth Vice President of the United States on 20 January 1993 and served eight years.

He is the author of *Earth in the Balance*, *An Inconvenient Truth*, *The Assault on Reason*, *Our Choice: A Plan to Solve the Climate Crisis*, and *The Future: Six Drivers of Global Change*. He was awarded the 2007 Nobel Peace Prize, along with the Intergovernmental Panel on Climate Change for "informing the world of the dangers posed by climate change."

This proposal was submitted by Brad Lander, the New York City Comptroller, on behalf of the New York City Retirement Systems and called for Mastercard to issue a report on its stance regarding the establishment of a new Merchant Category Code (MCC) for standalone gun and ammunition stores. Use of such MCCs could lead to undue surveillance and invasion of privacy for lawful gun owners by potentially tagging their legitimate purchases of firearms as "suspicious" simply based on the product category:²⁴

Proposal 7: Consideration of a stockholder proposal requesting a report on Mastercard's stance on new Merchant Category Code

The following proposal has been submitted to the company for action at the Annual Meeting by Brad Lander, the Comptroller of the City of New York, on behalf of the New York City Employees' Retirement System, the New York City Teachers' Retirement System and the New York City Board of Education Retirement System (together, the New York City Retirement Systems). The New York City

²⁴ SEC EDGAR, Mastercard, [2023 Proxy Statement](#)



Retirement Systems' shareholdings and address will be provided promptly upon receipt of a written or oral request. The text of the proposal is as follows:

Stockholder Proposal

Report on Company's Stance on New Merchant Category Code

RESOLVED Shareholders request the Mastercard Incorporated Board of Directors issue a public report, omitting proprietary and privileged information, concerning its oversight of management's decision-making regarding any application to the International Standards Organization (ISO) to establish a merchant category code (MCC) for standalone gun and ammunition stores. This report should cover Mastercard's governance of MCC standards, as well as disclose and explain the justification for its position on any applications to create an MCC for gun and ammunition stores.

Supporting Statement

Mass shootings are a significant societal problem. In 2022, there were 432 mass shootings through August 2022.

As a financial institution, Mastercard must ensure its systems are not used for criminal purposes. A new MCC for gun and ammunition stores would allow banks to comply with their regulatory obligation to report suspicious purchasing activity associated with illegal activity, and credit card companies would be able to voluntarily file this information under existing reporting systems. This could be accomplished without limiting or regulating gun sales or creating any additional burden to internal systems.

Suspicious activity could include gun sales associated with diversion from legal to illegal markets, and purchasing behavior associated with mass shootings. Failure to act could lead to regulatory and reputational risk, including reputational risk associated with costly litigation.

Suspicious purchasing activity that could constitute reportable suspicious activity might involve the frequency and size of purchases, and the type of retailer. For example, the Aurora, Colorado movie theater shooter used a Mastercard issued to purchase \$11,000 worth of weapons and military gear in the six weeks, including purchases at two standalone gun stores.¹ One week before the mass shooting at the Pulse Nightclub, in which 49 people were killed and 50 injured, the shooter used a Mastercard (among others) to purchase more than \$26,000 worth of guns and ammunition, including purchases at a stand-alone gun retailer.²

An application to create an MCC for gun and ammunition stores was twice denied. It has been reported that Mastercard pushed back on the application and that "credit card industry employees were part of an internal committee within ISO that recommended the application's rejection."

Shareholders would benefit from transparency on how Mastercard's Board of Directors is overseeing any final position taken on any MCC application for standalone gun and ammunition stores, and whether Mastercard is appropriately considering the risks inherent in failing to take action to report suspicious purchasing activity at these retailers. We believe that failure to do so will result in lost lives, as well as regulatory, reputational, and litigation risks that may threaten long-term shareholder value.

We urge you to vote FOR this proposal.



Full List of 159 Woke Proxy Votes in 2022 & 2023

All told, we found 159 instances of UTIMCO's asset managers voting in favor of woke resolutions in 2022 and 2023. The full list is below.

Company Name	Date	Proposal	Resolution Name	Manager
Abbott Laboratories	4/28/2023	7	Shareholder Proposal - Lobbying Disclosure	Aperio Group
AbbVie Inc.	5/6/2022	8	Report on Congruency of Political Spending with Company Values and Priorities	JP Morgan Asset Management
AbbVie Inc.	5/5/2023	7	Stockholder Proposal - to Issue an Annual Report on Lobbying.	Aperio Group
AbbVie Inc.	5/5/2023	7	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Alphabet Inc.	6/1/2022	5	Report on Lobbying Payments and Policy	Cantillon
Alphabet Inc.	6/1/2022	6	Report on Climate Lobbying	Cantillon
Alphabet Inc.	6/1/2022	7	Report on Physical Risks of Climate Change	Cantillon
Alphabet Inc.	6/1/2022	8	Report on Metrics and Efforts to Reduce Water Related Risk	Cantillon
Alphabet Inc.	6/1/2022	9	Oversee and Report a Third-Party Racial Equity Audit	Cantillon
Alphabet Inc.	6/1/2022	13	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	Cantillon
Alphabet Inc.	6/2/2023	6	Stockholder proposal regarding a lobbying report	Aperio Group
Alphabet Inc.	6/2/2023	6	Report on Lobbying Payments and Policy	Cantillon
Alphabet Inc.	6/2/2023	8	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	Cantillon
Alphabet Inc.	6/2/2023	10	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	Cantillon
Alphabet Inc.	6/2/2023	11	Publish Independent Human Rights Impact Assessment of Targeted Advertising Technology	Cantillon
Alphabet Inc.	6/2/2023	13	Report on Alignment of YouTube Policies With Online Safety Regulations	Cantillon
Altria Group, Inc.	5/19/2022	4	Report on Third-Party Civil Rights Audit	GQG Partners
Amazon.com, Inc.	5/25/2022	6	Commission Third Party Report Assessing Company's Human Rights Due Diligence Process	Generation Investment Management
Amazon.com, Inc.	5/25/2022	6	Commission Third Party Report Assessing Company's Human Rights Due Diligence Process	JP Morgan Asset Management
Amazon.com, Inc.	5/25/2022	10	Report on Risks Associated with Use of Concealment Clauses	JP Morgan Asset Management
Amazon.com, Inc.	5/25/2022	12	Publish a Tax Transparency Report	Generation Investment Management
Amazon.com, Inc.	5/25/2022	14	Report on Lobbying Payments and Policy	Generation Investment Management
Amazon.com, Inc.	5/25/2022	14	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Amazon.com, Inc.	5/24/2023	11	Publish a Tax Transparency Report	Generation Investment Management
Amazon.com, Inc.	5/24/2023	12	SHAREHOLDER PROPOSAL REQUESTING ADDITIONAL REPORTING ON CLIMATE LOBBYING	Aperio Group
Amazon.com, Inc.	5/24/2023	12	Report on Climate Lobbying	Generation Investment Management
Amazon.com, Inc.	5/24/2023	16	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	Generation Investment Management
Berkshire Hathaway Inc.	4/30/2022	3	Report on Climate-Related Risks and Opportunities	JP Morgan Asset Management
Berkshire Hathaway Inc.	4/30/2022	4	Report on GHG Emissions Reduction Targets	JP Morgan Asset Management



The University of Texas/Texas A&M Investment Management Company's (UTIMCO) Asset Managers are Supporting a Woke ESG Agenda

Company Name	Date	Proposal	Resolution Name	Manager
Berkshire Hathaway Inc.	4/30/2022	5	Report on Effectiveness of Diversity Equity and Inclusion Efforts and Metrics	JP Morgan Asset Management
Berkshire Hathaway Inc.	5/6/2023	4	Report on Physical and Transitional Climate-Related Risks and Opportunities	GQG Partners
Berkshire Hathaway Inc.	5/6/2023	4	Report on Physical and Transitional Climate-Related Risks and Opportunities	JP Morgan Asset Management
Berkshire Hathaway Inc.	5/6/2023	5	Report on Audit Committee's Oversight on Climate Risks and Disclosures	GQG Partners
Berkshire Hathaway Inc.	5/6/2023	5	Report on Audit Committee's Oversight on Climate Risks and Disclosures	JP Morgan Asset Management
Berkshire Hathaway Inc.	5/6/2023	6	Report If and How Company Will Measure, Disclose and Reduce GHG Emissions	GQG Partners
Berkshire Hathaway Inc.	5/6/2023	7	Shareholder proposal regarding the reporting on the effectiveness of the Corporation's diversity, equity and inclusion efforts.	Aperio Group
Berkshire Hathaway Inc.	5/6/2023	7	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	GQG Partners
Capital One Financial Corporation	5/4/2023	9	Stockholder proposal requesting a Board skills and diversity matrix.	Aperio Group
Caterpillar	6/14/2023	7	Shareholder Proposal – Lobbying Disclosure.	Aperio Group
Charter Communications, Inc.	4/26/2022	3	Report on Lobbying Payments and Policy	GQG Partners
Charter Communications, Inc.	4/26/2022	3	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Charter Communications, Inc.	4/26/2022	5	Report on Congruency of Political Spending with Company Values and Priorities	GQG Partners
Charter Communications, Inc.	4/26/2022	5	Report on Congruency of Political Spending with Company Values and Priorities	JP Morgan Asset Management
Charter Communications, Inc.	4/26/2022	6	Disclose Climate Action Plan and GHG Emissions Reduction Targets	GQG Partners
Charter Communications, Inc.	4/26/2022	6	Disclose Climate Action Plan and GHG Emissions Reduction Targets	JP Morgan Asset Management
Charter Communications, Inc.	4/26/2022	8	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	GQG Partners
Charter Communications, Inc.	4/26/2022	8	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	JP Morgan Asset Management
Chevron Corporation	5/25/2022	6	Issue Audited Net-Zero Scenario Analysis Report	JP Morgan Asset Management
Chevron Corporation	5/25/2022	7	Oversee and Report on Reliability of Methane Emission Disclosures	JP Morgan Asset Management
Chevron Corporation	5/31/2023	7	Recalculate Emissions Baseline to Exclude Emissions from Material Divestitures	Aperio Group
Chubb Limited	5/19/2022	14	Report on Efforts to Reduce GHG Emissions Associated with Underwriting, Insuring, and Investing	JP Morgan Asset Management
ConocoPhillips	5/16/2023	9	Report on Tax Payments	Aperio Group
Constellation Brands, Inc.	7/18/2023	5	Disclose GHG Emissions Reductions Targets	JP Morgan Asset Management
Coterra Energy Inc.	5/4/2023	6	Report on Reliability of Methane Emission Disclosures	JP Morgan Asset Management
Coterra Energy Inc.	5/4/2023	7	Report on Climate Lobbying	JP Morgan Asset Management
Danaher Corporation	5/9/2023	6	To act upon a shareholder proposal requesting a report to shareholders on the effectiveness of the Company's diversity, equity and inclusion efforts.	Aperio Group
Delta Air Lines, Inc.	6/16/2022	4	Report on Lobbying Payments and Policy	JP Morgan Asset Management
DISH Network Corporation	4/29/2022	3	Report on Political Contributions	JP Morgan Asset Management
Dollar General Corporation	5/25/2022	4	Report on Political Contributions and Expenditures	JP Morgan Asset Management
Eli Lilly and Company	5/2/2022	8	Report on Lobbying Payments and Policy	GQG Partners
Eli Lilly and Company	5/2/2022	9	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	GQG Partners
Eli Lilly and Company	5/2/2022	10	Report on Board Oversight of Risks Related to Anticompetitive Pricing Strategies	GQG Partners
Eli Lilly and Company	5/1/2023	7	Shareholder proposal to publish an annual report disclosing lobbying activities.	Aperio Group
Eli Lilly and Company	5/1/2023	7	Report on Lobbying Payments and Policy	GQG Partners



The University of Texas/Texas A&M Investment Management Company's (UTIMCO) Asset Managers are Supporting a Woke ESG Agenda

Company Name	Date	Proposal	Resolution Name	Manager
Eli Lilly and Company	5/1/2023	7	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Eli Lilly and Company	5/1/2023	11	Shareholder proposal to disclose lobbying activities and alignment with public policy positions and statements.	Aperio Group
Eli Lilly and Company	5/1/2023	11	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	GQG Partners
Eli Lilly and Company	5/1/2023	11	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	JP Morgan Asset Management
Eli Lilly and Company	5/1/2023	12	Shareholder proposal to report on effectiveness of the company's diversity, equity, and inclusion efforts.	Aperio Group
Eli Lilly and Company	5/1/2023	12	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	GQG Partners
Equifax Inc.	5/4/2023	6	Oversee and Report a Racial Equity Audit	JP Morgan Asset Management
Exxon Mobil Corporation	5/25/2022	8	Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	GQG Partners
Exxon Mobil Corporation	5/25/2022	9	Report on Reducing Plastic Pollution	GQG Partners
Exxon Mobil Corporation	5/31/2023	8	Report on Methane Emission Disclosure Reliability	GQG Partners
Exxon Mobil Corporation	5/31/2023	11	GHG Reporting on Adjusted Basis	Aperio Group
Exxon Mobil Corporation	5/31/2023	12	Report on Asset Retirement Obligations Under IEA NZE Scenario	Aperio Group
Exxon Mobil Corporation	5/31/2023	15	Tax Reporting Beyond Legal Requirements	Aperio Group
Exxon Mobil Corporation	5/31/2023	13	Commission Audited Report on Reduced Plastics Demand	GQG Partners
FedEx Corporation	9/19/2022	7	Report on Lobbying Payments and Policy	JP Morgan Asset Management
FedEx Corporation	9/19/2022	9	Report on Climate Lobbying	JP Morgan Asset Management
Ford Motor Company	5/11/2023	8	Relating to Reporting on the Company's Animal Testing Practices.	Aperio Group
HCA Healthcare, Inc.	4/19/2023	5	Stockholder proposal, if properly presented at the meeting, regarding political spending disclosure.	Aperio Group
International Business Machines Corporation	4/25/2023	6	Stockholder Proposal Requesting a Public Report on Lobbying Activities.	Aperio Group
International Business Machines Corporation	4/25/2023	6	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Johnson & Johnson	4/28/2022	7	Oversee and Report a Racial Equity Audit	GQG Partners
Johnson & Johnson	4/28/2022	8	Report on Government Financial Support and Access to COVID-19 Vaccines and Therapeutics	GQG Partners
Johnson & Johnson	4/28/2022	8	Report on Government Financial Support and Access to COVID-19 Vaccines and Therapeutics	JP Morgan Asset Management
Johnson & Johnson	4/28/2022	12	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	GQG Partners
Johnson & Johnson	4/28/2022	12	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	JP Morgan Asset Management
Johnson & Johnson	4/27/2023	6	Report on Government Financial Support and Equitable Access to Covid-19 Products	JP Morgan Asset Management
Lockheed Martin Corporation	4/21/2022	5	Report on Human Rights Impact Assessment	GQG Partners
Lockheed Martin Corporation	4/27/2023	6	Report on Human Rights Impact Assessment	GQG Partners
Lockheed Martin Corporation	4/27/2023	7	Report on Efforts to Reduce Full Value Chain GHG Emissions in Alignment with Paris Agreement Goal	GQG Partners
Marathon Petroleum Corporation	4/26/2023	10	Shareholder proposal seeking an audited report on asset retirement obligations.	Aperio Group
Mastercard Incorporated	6/27/2023	7	Report on Establishing Merchant Category Code for Gun and Ammunition Stores	Generation Investment Management
Mastercard Incorporated	6/27/2023	8	Consideration of a stockholder proposal requesting lobbying disclosure.	Aperio Group
Mastercard Incorporated	6/27/2023	8	Report on Lobbying Payments and Policy	Generation Investment Management



The University of Texas/Texas A&M Investment Management Company's (UTIMCO) Asset Managers are Supporting a Woke ESG Agenda

Company Name	Date	Proposal	Resolution Name	Manager
McDonald's Corporation	5/26/2022	5	Report on Efforts to Reduce Plastic Use	JP Morgan Asset Management
McDonald's Corporation	5/25/2023	9	Advisory Vote on Annual Report on Lobbying Activities.	Aperio Group
McDonald's Corporation	5/25/2023	10	Advisory Vote on Annual Report on Global Political Influence.	Aperio Group
McDonald's Corporation	5/25/2023	11	Advisory Vote on Poultry Welfare Disclosure.	Aperio Group
Merck & Co., Inc.	5/24/2022	5	Report on Access to COVID-19 Products	JP Morgan Asset Management
Merck & Co., Inc.	5/23/2023	6	Report on Access to COVID-19 Products	JP Morgan Asset Management
Meta Platforms, Inc.	5/25/2022	6	Report on Risks Associated with Use of Concealment Clauses	JP Morgan Asset Management
Meta Platforms, Inc.	5/25/2022	13	Report on Lobbying Payments and Policy	Cantillon
Meta Platforms, Inc.	5/25/2022	13	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Meta Platforms, Inc.	5/25/2022	15	Report on Charitable Contributions	Cantillon
Meta Platforms, Inc.	5/31/2023	5	Report on Human Rights Impact Assessment of Targeted Advertising	GQG Partners
Meta Platforms, Inc.	5/31/2023	5	Report on Human Rights Impact Assessment of Targeted Advertising	JP Morgan Asset Management
Meta Platforms, Inc.	5/31/2023	6	A shareholder proposal regarding report on lobbying disclosures.	Aperio Group
Meta Platforms, Inc.	5/31/2023	6	Report on Lobbying Payments and Policy	GQG Partners
Meta Platforms, Inc.	5/31/2023	6	Report on Lobbying Payments and Policy	JP Morgan Asset Management
Meta Platforms, Inc.	5/31/2023	7	Report on Allegations of Political Entanglement and Content Management Biases in India	GQG Partners
Meta Platforms, Inc.	5/31/2023	8	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	GQG Partners
Meta Platforms, Inc.	5/31/2023	9	Report on Data Privacy regarding Reproductive Healthcare	GQG Partners
Meta Platforms, Inc.	5/31/2023	10	Report on Enforcement of Community Standards and User Content	GQG Partners
Microsoft Corporation	12/13/2022	5	Report on Hiring of Persons with Arrest or Incarceration Records	GQG Partners
Microsoft Corporation	12/13/2022	7	Report on Government Use of Microsoft Technology	GQG Partners
Microsoft Corporation	12/13/2022	8	Report on Development of Products for Military	GQG Partners
Microsoft Corporation	12/13/2022	9	Report on Tax Transparency	GQG Partners
Microsoft Corporation	12/7/2023	10	Report on Tax Transparency	Aperio Group
Microsoft Corporation	12/7/2023	11	Report on Risks of Operating in Countries with Significant Human Rights Concerns	Cantillon
Microsoft Corporation	12/7/2023	11	Report on Risks of Operating in Countries with Significant Human Rights Concerns	Generation Investment Management
Microsoft Corporation	12/7/2023	11	Report on Risks of Operating in Countries with Significant Human Rights Concerns	JP Morgan Asset Management
Microsoft Corporation	12/7/2023	13	Report on Risks Related to AI Generated Misinformation and Disinformation	JP Morgan Asset Management
PepsiCo, Inc.	5/3/2023	6	Shareholder Proposal – Global Transparency Report.	Aperio Group
Raytheon Technologies Corporation	5/2/2023	8	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	JP Morgan Asset Management
Royal Bank of Canada	4/7/2022	8	SP 5: Adopt an Annual Advisory Vote Policy on the Bank's Environmental and Climate Change Action Plan and Objectives	GQG Partners
Stryker Corporation	5/10/2023	5	Shareholder Proposal on Political Disclosure.	Aperio Group
Sysco Corporation	11/18/2022	6	Report on Efforts to Reduce Plastic Use	JP Morgan Asset Management
Tesla, Inc.	8/4/2022	11	Adopt a Policy on Respecting Rights to Freedom of Association and Collective Bargaining	JP Morgan Asset Management
Tesla, Inc.	8/4/2022	13	Report on Water Risk Exposure	JP Morgan Asset Management
The Boeing Company	4/18/2023	7	Report on Lobbying Activities.	Aperio Group



The University of Texas/Texas A&M Investment Management Company's (UTIMCO) Asset Managers are Supporting a Woke ESG Agenda

Company Name	Date	Proposal	Resolution Name	Manager
The Boeing Company	4/18/2023	9	Pay Equity Disclosure.	Aperio Group
The Charles Schwab Corporation	5/17/2022	8	Report on Lobbying Payments and Policy	Generation Investment Management
The Charles Schwab Corporation	5/17/2022	8	Report on Lobbying Payments and Policy	JP Morgan Asset Management
The Charles Schwab Corporation	5/18/2023	5	Report on Gender/Racial Pay Gap	Generation Investment Management
The Cigna Group	4/26/2023	7	Report on Congruency of Political Spending with Company Values and Priorities	GQG Partners
The Coca-Cola Company	4/26/2022	4	Report on External Public Health Costs	GQG Partners
The Coca-Cola Company	4/26/2022	5	Report on Global Public Policy and Political Influence	GQG Partners
The Goldman Sachs Group, Inc.	4/26/2023	5	Shareholder Proposal Regarding a Report on Lobbying	Aperio Group
The Home Depot, Inc.	5/19/2022	9	Report on Efforts to Eliminate Deforestation in Supply Chain	JP Morgan Asset Management
The Toronto-Dominion Bank	4/20/2023	6	SP 3: Advisory Vote on Environmental Policies	JP Morgan Asset Management
The Travelers Companies, Inc.	5/25/2022	4	Report on Lobbying Payments and Policy	JP Morgan Asset Management
The Travelers Companies, Inc.	5/25/2022	5	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	JP Morgan Asset Management
United Parcel Service, Inc.	5/4/2023	8	Report on Just Transition	JP Morgan Asset Management
UnitedHealth Group Incorporated	6/6/2022	5	Report on Congruency of Political Spending with Company Values and Priorities	GQG Partners
UnitedHealth Group Incorporated	6/5/2023	6	Report on Congruency of Political Spending with Company Values and Priorities	GQG Partners
Walmart Inc.	6/1/2022	4	Report on Animal Welfare Policies and Practices in Food Supply Chain	GQG Partners
Walmart Inc.	6/1/2022	5	Create a Pandemic Workforce Advisory Council	GQG Partners
Walmart Inc.	6/1/2022	6	Report on Impacts of Restrictive Reproductive Healthcare Legislation	GQG Partners
Walmart Inc.	6/1/2022	7	Report on Alignment of Racial Justice Goals and Starting Wages	GQG Partners
Walmart Inc.	6/1/2022	10	Report on Lobbying Payments and Policy	GQG Partners
Wells Fargo & Company	4/26/2022	7	Report on Board Diversity	GQG Partners
Wells Fargo & Company	4/26/2022	8	Report on Respecting Indigenous Peoples' Rights	GQG Partners
Wells Fargo & Company	4/26/2022	10	Oversee and Report a Racial Equity Audit	GQG Partners
Wells Fargo & Company	4/26/2022	10	Oversee and Report a Racial Equity Audit	JP Morgan Asset Management
Yum! Brands, Inc.	5/18/2023	5	Report on Efforts to Reduce Plastic Use	JP Morgan Asset Management
Yum! Brands, Inc.	5/18/2023	6	Report on Lobbying Payments and Policy	JP Morgan Asset Management

