



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

NEW YORK CITY RETIREMENT SYSTEMS



2019 Shareowner Initiatives POSTSEASON REPORT

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Corporate Governance and Responsible Investment Overview

The New York City Comptroller, as investment adviser to the five New York City pension funds and retirement systems (collectively “the NYCERS”), is responsible for voting the NYCERS’ domestic proxies and developing and implementing the NYCERS’ initiatives. The NYCERS are:

- New York City Board of Education Retirement System (BERS)
- New York City Employees’ Retirement System (NYCERS)
- New York City Fire Pension Fund (Fire)
- New York City Police Pension Fund (Police)
- New York City Teachers’ Retirement System (TRS)

Consistent with the fiduciary obligations of the NYCERS’ Boards of Trustees, the proxy voting and shareowner initiatives programs actively promote sound corporate governance, responsible executive compensation, and sustainable business practices at portfolio companies in order to protect and enhance the long-term value of the NYCERS’ investments.

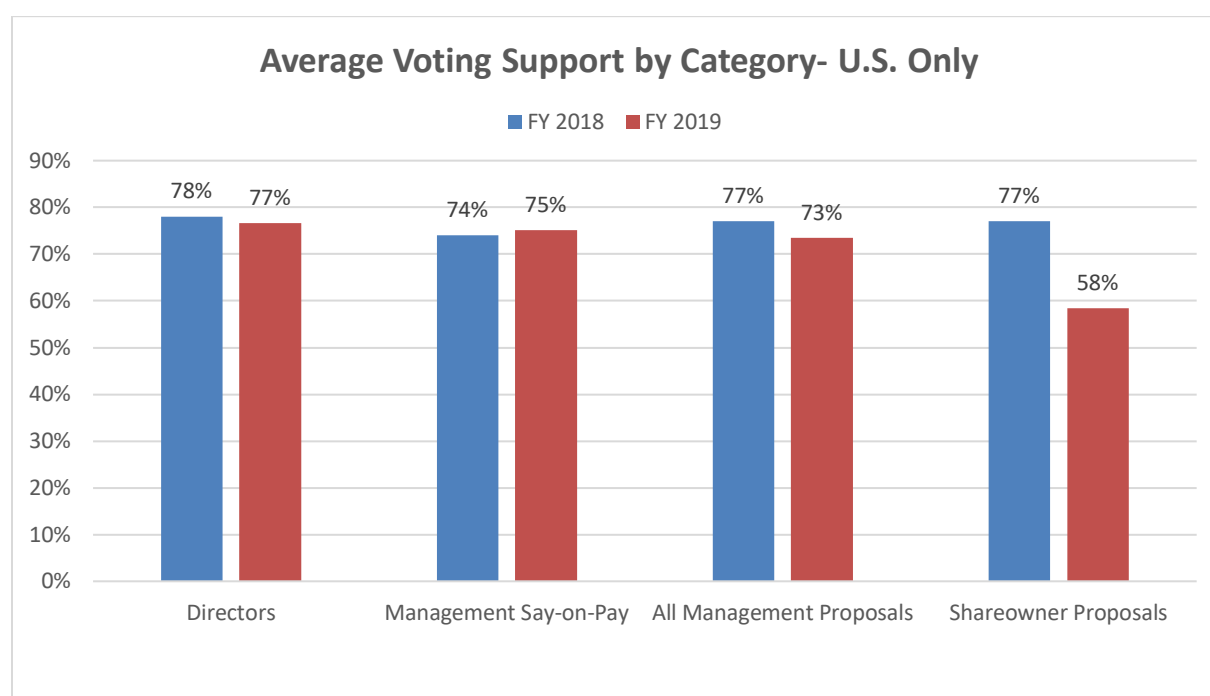
Within the Comptroller’s Office, the Bureau of Asset Management’s Corporate Governance and Responsible Investment team develops and implements the proxy voting and shareowner initiative programs of the five systems, including engagement with management and directors at portfolio companies. Corporate Governance staff present the proposed programs to the Proxy Committee of each system for review and approval. Each Proxy Committee acts on behalf of its respective Board of Trustees.

This Report, which is prepared by the Comptroller’s Office and reviewed by the Proxy Committee of each system, serves as the annual Proxy Committee Postseason Report (“Postseason Report”) to each system’s Board of Trustees. The Report covers proxy voting outcomes for the 12 months ending June 30, 2019, consistent with the fiscal year reporting period used by the five NYCERS and by the City of New York. Because most U.S. companies hold their annual meetings during the spring, June 30 is also consistent with the end of “proxy season” as generally understood by companies and investors.

For shareowner initiatives and other company and regulatory engagements, the Report covers developments and outcomes since last year’s Postseason Report, which generally corresponds to the fiscal year ending June 30. In order to provide timely reporting to the Proxy Committees and Boards of Trustees, however, the Report also includes developments subsequent to fiscal year-end.

Proxy Voting

During Fiscal Year 2019, the Comptroller’s Office voted on 126,775 individual ballot items at 13,122 shareowner meetings in 86 markets around the world, including 26,177 individual ballot items at 3,121 annual and special meetings for U.S. portfolio companies. Of all votes cast on management and shareowner proposals at U.S. companies, 74 percent were for the management-recommended vote. Major proxy voting issues included: (1) the election of directors, (2) management proposals to ratify auditors, approve executive compensation, and approve mergers and acquisitions, and (3) shareowner proposals on a wide range of environmental, social and governance (ESG) policies and practices. Of all votes cast on management and shareowner proposals at U.S. companies, 74% were for the management-recommended vote.



Also, during Fiscal Year 2019, the NYCERS revised their *Corporate Governance Principles and Proxy Voting Guidelines* and will oppose the election of incumbent nominees who serve on a board’s nominating committee if “the board lacks meaningful gender and racial/ethnic diversity, including but not limited to any board on which more than 80% of the directors are the same gender.” According to the revised policy, “the Systems may integrate more explicit racial/ethnic diversity expectations in the future as reliable data become available and may increase the minimum expectation for gender diversity.”

The NYCERS voting decisions by company are available on the Proxy Voting Dashboard on the Comptroller’s website (<https://comptroller.nyc.gov/services/financial-matters/pension/corporate-governance/proxy-voting-dashboard/>). The site publicly displays information within 24 to 48 hours of the votes being finalized and electronically submitted (i.e., in advance of the meeting at which the votes are officially cast via proxy).

Executive Summary - Shareowner Initiatives

During Fiscal Year 2019, the Comptroller's Office, on behalf of one or more of the NYCERS, submitted 58 shareowner proposals to a total of 57 portfolio companies. Overall, approximately 72 % of the proposals (42 of 58) were withdrawn after the companies agreed to take steps to implement the request. Fourteen proposals went to a vote during the fiscal year, two of which received majority shareowner support.

In a continuation of the Boardroom Accountability Project (BAP) launched by the NYCERS in Fiscal Year 2015, almost half of the proposals (25 out of 58) requested a "proxy access" bylaw that would require the company to include shareowner-nominated director candidates in the company proxy materials and on the company ballot that is furnished to all shareowners. The BAP is an ambitious effort to enact proxy access, which many investors view as a fundamental investor right, across the U.S. market on a company-by-company basis.

Twenty-two of the 2019 focus companies agreed to enact, or to take the steps necessary to enact, a meaningful proxy access bylaw with terms substantially similar to those requested by the shareowner proposal, prompting the Comptroller's Office to withdraw the proposal. In total, more than 600 U.S. companies of various sizes and across industries have now enacted bylaws providing proxy access to shareowners holding at least three percent of the shares for three years—including more than 70 percent of the S&P 500—up from only six companies when the Comptroller and NYCERS launched the Boardroom Accountability Project in fall 2014.

In addition to proxy access, the NYCERS also submitted shareowner proposals requesting that:

1. **11 companies identify whether a gender pay gap exists among the company's employees, and if so, the measures being taken to eliminate any such pay disparities;**
2. **seven companies disclose a meaningful board matrix identifying each director's most relevant skills and experience, as well as each director's gender and race/ethnicity;**
3. **two companies establish and disclose quantitative greenhouse gas reduction goals;**
4. **four companies adopt a policy to (a) empower the board of directors to recoup compensation from senior executives responsible for misconduct that causes significant financial and/or reputational harm to the companies, either through their own actions or through a failure of supervisory oversight, and/or (b) provide for public disclosure of any clawback actions taken under such policy;**
5. **two companies disclose annual EEO-1 report data on the race and gender of their workforce by major job category, including senior management;**
6. **two carbon-intensive energy companies provide board oversight and disclosure of corporate political spending;**
7. **two major automakers enhance disclosure of corporate lobbying activity;**
8. **two companies adopt a policy prohibiting certain inequitable employment practices, defined to include mandatory arbitration of employment -related claims and involuntary nondisclosure agreements, among others; and**
9. **one company, Facebook, name an independent board chair.**

Among the more significant outcomes, the Comptroller's Office withdrew 20 of these proposals, including most proposals relating to gender pay equity and executive pay clawbacks, following negotiated agreements with responsive companies. The proposals requesting disclosure of corporate political spending at Alliant Energy and proxy access at Masimo received majority voting support, and the proposal requesting that Facebook name an independent board chair received the support of the majority of the company's non-management shareowners.

These shareowner proposal initiatives and their related outcomes are detailed below, together with information on a variety of additional investor initiatives to engage with companies and regulators, often in collaboration with other institutional investors, through both formal (e.g., established coalitions and working groups) and less formal coalitions.

Shareowner Proposal Initiatives

Proxy Access

In a continuation of the Boardroom Accountability Project launched in fall 2014 to enact proxy access in the U.S. market on a company-by-company basis the NYCRS submitted proposals requesting proxy access to 25 companies for the 2019 proxy season. (See the NYCRS' [2015 Postseason Report](#) for a more detailed description of the Boardroom Accountability Project launch and the critical role that proxy access can play in creating sustainable shareowner value by helping to ensure that boards of directors are diverse, climate competent, independent, and accountable.)

The proposals specifically requested a proxy access bylaw permitting shareowners that have collectively held three percent of the company for at least three years to nominate up the greater of two directors or 25 percent of the board using the company's proxy materials. The terms are identical to those included in a rule enacted by the SEC in 2010 that provided proxy access at all U.S. public companies, but that was subsequently vacated by a federal court on procedural grounds.

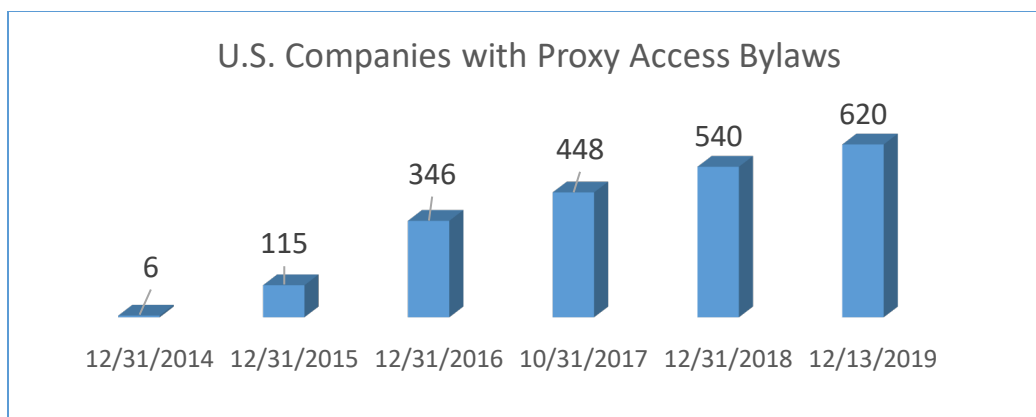
Consistent with methodologies used since the 2015 proxy season, focus companies included those that awarded excessive executive compensation, companies with little or no apparent gender or racial diversity on their board of directors, and companies with other, specific corporate governance concerns.

In response to the proposals, 22 companies agreed to enact, or took steps necessary to enact, a meaningful proxy access bylaw with terms substantially similar to those requested by the shareowner proposal, prompting the Comptroller's Office to withdraw the proposals.

Responsive companies included persistent hold-outs such as Netflix, at which the NYCRS' proxy access proposal received a majority vote for four consecutive years before ultimately being enacted by the board of directors, and Hospitality Properties Trust (HPT), at which the NYCRS' proposal received a majority vote for two consecutive years before ultimately being enacted the board of directors. The Comptroller's Office also reached a negotiated agreement with Senior Housing Properties Trust, an HPT affiliate that the NYCRS have repeatedly sought to engage on proxy access

The impressive settlement rate (88 percent), which was comparable to 2018, stands in stark contrast to 2015, when the NYCRS' withdrew only six of 75 proxy access proposals (8 percent).

In total, more than 600 U.S. companies of various sizes and across industries have now enacted bylaws providing proxy access to shareowners holding at least three percent of the shares for three years—including more than 60 percent of the S&P 500—up from only six companies when the Boardroom Accountability Project was launched in fall 2014.



One-third of these companies took action in response to a shareowner proposal from the NYCPS.

Proxy access proposals went to a vote at the three companies in 2019, receiving majority support at Masimo Corp., the only one of the three companies at which insiders do not control a substantial share of the vote. See below table for a comprehensive list of 2019 proxy access focus companies and proposal outcomes. In addition, see page 27 for a cumulative list of proxy access outcomes for all of the NYCPS' focus companies since the fall 2014 launch of the Boardroom Accountability Project.

Proxy Access Proposal Outcomes

Company	Screening Criteria				Vote Result	
	Diversity	Climate	Pay	Other	2018	2019
Analog Devices, Inc.	x					Settled
Charter Communications, Inc.			x		38.79%	38.75%
CNO Financial Group, Inc.			x			Settled
Commvault Systems, Inc.	x					Settled
Crown Castle International Corp.				x	Settle ¹	Settled ¹
Digital Realty Trust, Inc.	x					Settled
First Horizon National Corp.			x			Settled
Hospitality Properties Trust			x	x	85.00%	Settled
IPG Photonics Corp.	x					Settled
Littlefuse, Inc.	x					Settled
Masimo Corp.	x					53.35%
Medidata Solutions, Inc.	x					Settled
Mohawk Industries, Inc.	x					Settled
National Instruments Corp.			x			Settled
Nektar Therapeutics	x					Settled
Netflix, Inc.				x	57.90%	Settled
Oasis Petroleum, Inc.	x					Settled
Patterson-UTI Energy, Inc.			x			Settled

Company	Screening Criteria				Vote Result	
	Diversity	Climate	Pay	Other	2018	2019
Plantronics, Inc.	x					Settled
Pool Corp.	x					Settled
Sabra Health Care REIT, Inc.	x					Settled
Senior Housing Properties Trust			x	x	Other ²	Settled
Tempur Sealy International, Inc.			x			Settled
Universal Health Services, Inc. ³	x				8.41%	8.98%
WEX, Inc.			x			Settled

¹Withdrawn in 2018 following enactment of unresponsive bylaw; renegotiated revised bylaw in 2019.

²Withdrawn following no action request to SEC after U.S. Postal Service failed to make overnight delivery by filing deadline.

³UHS insiders control approximately 85% of the vote due to multi-class share structure

Board Skills, Experience, and Diversity Matrix

The NYCPS submitted shareowner proposals to seven companies requesting that they provide a board matrix, displaying information on individual board member skills and attributes, including gender and race/ethnicity. All of the companies lacked adequate diversity on their boards and were unresponsive to a September 2017 engagement request from the Comptroller. Providing a Board matrix will give shareowners a “big-picture” view of directors’ attributes, individually and collectively and how they fit together, thereby enabling shareowners to (a) assess how well-suited individual director nominees are for the company in light of (i) the company’s evolving business strategy and risks and (ii) the overall mix of skills and experiences on the board; (b) identify any gaps in skills, experience or other characteristics; and (c) make better informed proxy voting decisions.

The matrix requested in the proposed is consistent with the request in a March 2015 rulemaking petition to the SEC seeking mandatory matrix disclosure by all U.S. public companies that was signed by Comptroller Stringer jointly with New York State Comptroller Thomas P. DiNapoli, state treasurers from Connecticut and North Carolina, as well as representatives from the California Public Employees Retirement System, California State Teachers Retirement System, Washington State Investment Board, Illinois State Board of investment and Ohio Public Employees Retirement Systems. (The rulemaking petition is available at <https://www.sec.gov/rules/petitions/2015/petn4-682.pdf>.)

The proposals were withdrawn from six companies following productive negotiations. Responsive companies agreed to take concrete steps to address the gaps in their board disclosures and refreshment processes. For example, Alliance Data Systems, Mineral Technologies, and Alexion Pharmaceuticals adopted the form of board matrix proposed by the NYCPS. Others such as Devon Energy included a new individualized board matrix in their 2019 proxy statements that included most elements of the proposed matrix, in addition to other disclosures requested as part of the engagement, with an agreement to continue discussions to provide a more fulsome understanding of their board composition and refreshment processes. After agreeing to withdraw the proposal at NRG Energy in 2018 based upon a commitment for a board-level engagement, the NYCPS re-submitted the proposal for 2019 to ensure that the company followed through on its commitment to produce a meaningful matrix, which it subsequently did, prompting withdrawal of the proposal.

Exxon Mobil was once again the only focus company that opposed the proposal and that, for the second consecutive year, sought permission, unsuccessfully, from the U.S. Securities and Exchange Commission (SEC) to omit the proposal from its proxy statement. Many companies, including Exxon's peers, disclose board matrices. Despite incremental improvements to Exxon's disclosure, the proposal received 29.8% of the votes cast, up significantly from 16.5% in 2018.

Board Matrix Proposal Outcomes

Company	2018	2019
Alexion Pharmaceuticals	--	Settled
Alliance Data Systems Corporation	--	Settled
Devon Energy	--	Settled
Exxon Mobil Corporation	16.47%	29.8%
Mineral Technologies	--	Settled
Noble Energy	--	Settled
NRG Energy Inc.	Settled	Settled

Gender Pay Equity

Gender Pay Equity Proposal Outcomes

Company	2019
Arthur J. Gallagher & Co.	Settled
Cincinnati Financial Corp.	Settled
DaVita, Inc. ^{1,2}	Settled
IDEXX Laboratories, Inc.	Settled
Intuitive Surgical, Inc.	Settled
Lincoln National Corp. ^{1,2}	Settled
Marsh & McLennan Cos., Inc.	Settled
Oracle	35.7%
Quest Diagnostics, Inc. ¹	Settled
ResMed, Inc.	Settled
The Hartford Financial Services Group, Inc. ¹	Settled

¹co-filed by Pax World Funds

²co-filed by Connecticut Retirement Plans and Trust

The NYCERS filed proposals at 10 S&P 500 companies in the insurance and healthcare industries requesting that the company identify and disclose whether a gender pay gap exists among the company's employees, and if so, the measures being taken (policies, programs, goals etc.) to eliminate any such pay disparities. The proposal also recommends that the company look at the gap also based on race/ethnicity. Nationwide, women earn about 78 cents for every dollar earned by men. Further, studies have shown that the healthcare and insurance industries have some of the largest gender pay gaps — even when controlling for age, education, and years of experience, they are 33% higher than the average across the country.

Pay equity is not only a compliance, but also a competitive issue, for companies. The NYCERS proposal asks that companies disclose whether they have a gender pay gap and steps they are taking to address any such gap.

Quest Diagnostics and Lincoln National reported that, based on their analyses, they found no statistically significant adjusted pay gaps. Intuitive Surgical and Marsh and McLennan said that if unaccountable disparities were found, they would do follow up analyses and make adjustments where appropriate (Marsh and McLennan reported that it made small adjustments for 2018). The Hartford Financial, Marsh & McLennan, Lincoln National and DaVita publicly report that they do not ask applicants about salary history. Cincinnati Financial and Arthur Gallagher agreed to conduct pay equity analyses. IDEXX Labs provided an outline of what it expects to develop for its next sustainability report and will further engage as it had recently published its 2018 report. Others

remain confident that, similar to ResMed, their processes and procedures help to prevent statistically significant pay gaps. Some agreed to disclose on their website while others will disclose in their sustainability report. Companies generally analyzed for discrepancies based not only on gender, but also on race and ethnicity, among other factors.

The NYCERS also co-filed a gender pay equity proposal at Oracle first submitted by Pax World Funds. Oracle is being sued by the U.S. Department of Labor's Office of Federal Contract Compliance Programs alleging systematic discrimination against female and minority employees, as well as discriminatory recruitment and hiring practices. Oracle made no reference to the lawsuit in its opposition statement to a similar proposal submitted to Oracle by Pax World for 2018, prompting the Comptroller to write to the SEC's Divisions of Corporation Finance and Enforcement in February 2019 asking that they initiate an investigation into whether Oracle made materially false and/or misleading statements in urging shareowners to vote against the proposal submitted for the 2018 meeting (see page 9). The circumstances prompted the NYCERS to submit the proposal with Pax World for Oracle's 2019 annual meeting. Oracle did not engage on the request with the proponents and the went to a vote and received 35.7 percent of votes cast at the company's November 2019 annual meeting. Excluding the votes cast by founder, chairman and CEO Larry Ellison, unaffiliated shareowners cast an estimated 64.2% of their votes in favor of the proposal.

Employee Diversity/EEO-1 Disclosure

EEO-1 Disclosure Proposal Outcomes

Company	2017	2018	2019
Applied Materials, Inc.	--	43.83%	Settled
The Charles Schwab Corporation	25.90%	35.83%	39.84%

The NYCERS continued to advocate for improved disclosure around employee diversity by asking two companies to disclose their EEO-1 data. The EEO-1 data provide a breakdown of a company's workforce by gender and race/ethnicity across different job categories, including senior management. Shareowners seek such disclosures to be able to assess and benchmark the effectiveness of companies' diversity policies, practices and initiatives, but also to drive investment decisions as more investors incorporate ESG factors into investment decision making.

Companies with over 100 employees and federal contractors with over 50 employees and contracts over \$50,000 are required to disclose annually to the EEOC Commission their EEO-1 matrix of employees across nine job categories and seven gender/race/ethnic categories (component 1). Companies will soon have to provide expanded disclosures to the EEOC. Effective September 2019, companies will have to report, for 2017 and 2018, wage and hours worked for all employees by gender and race/ethnicity across 12 pay bands (component 2). Component 2 was to begin in 2017 but was put on hold by the Trump Administration; the hold was successfully challenged in court.

In response to the proposal's strong support in 2018, Applied Materials disclosed additional information in its diversity report, but only around race and gender of its aggregate work force, rather than by job category. As a result, the NYCERS refiled in 2019 but withdrew the proposal as the company asked for more time to evaluate how its jobs categories align with the EEO-1 job categories, and how it can best disclose such information that makes sense not only to the public, but also its employees. Charles Schwab continues to ignore the proposal, even as the vote support increases every year – the proposal received a very strong 39.8% support, up from 25.9% in 2017. The company continues to insist that the information is confidential even though the EEO-1 table aggregates information for all employees and individual information is not shared, and that many companies, including Schwab's peers, now provide the requested disclosure to their shareowners.

Greenhouse Gas (GHG) Reduction Goals

The NYCERS filed proposals, urging two industrial companies to set GHG reduction goals consistent with achieving the goals of the Paris Agreement to keep global warming below 2-degree Celsius to avoid the worst of climate change.

The proposal was refiled at Flowserve, which did not engage the NYCERS, and where support increased five percentage points to 27.5 percent.

The NYCERS also submitted the proposal to Transdigm, an aerospace company whose industry peer companies, including United Technologies, Boeing, Lockheed Martin and Northrop Grumman, have set GHG emission reduction goals. Transdigm requested permission from the SEC to omit the proposal on the basis that it constituted ordinary business and micromanagement, an argument that the SEC had accepted to permit the exclusion of similar proposals at other companies, most notably EOG Resources. In response to the no-action request, the NYCERS filed a complaint in federal district court to challenge TransDigm's decision to exclude the proposal. As part of a settlement negotiated with the New York City Law Department, the company agreed to withdraw its "no-action" request and to allow the NYCERS shareowner proposal to proceed to a vote at the company's annual meeting, at which it received 34.9% of votes cast.

GHG Reduction Goals Proposal Outcomes

Flowserve Corporation	2018	2019
Flowserve Corporation	22.07%	27.53%
TransDigm Group, Inc.	--	34.87%

Corporate Lobbying Disclosure

The NYCERS filed lobbying disclosure proposals at Ford and General Motors asking the companies to disclose their direct and indirect lobbying activities and the board’s oversight and rationale for making these payments. The proposals were submitted as part of the Climate Action 100+ initiative (see page 17). One of the three pillars of the initiative is to “implement a strong governance framework which clearly articulates the board’s accountability and oversight of climate change.” This includes explicitly asking companies to align their lobbying activities with the goals of the Paris Climate Agreement.

Despite the companies’ articulated public support for the Paris Agreement, their current lobbying activities and disclosures are not aligned with the goals of that historic Agreement. Of greatest concern, they are members of the Alliance for Automobile Manufacturers, which has questioned the validity of climate science and lobbied the U.S. government and the EPA to lower the CAFÉ or fuel economy standards for cars and light trucks. We believe this is inconsistent with achieving the goals of the Paris Agreement and also with the companies’ publicly stated position on climate.

The proposal received 29.4% support at GM and 16.5% support at Ford (or 38.1% of unaffiliated votes).

Corporate Lobbying Disclosure Proposal Outcomes

Company	2019
Ford Motor Company ¹	16.50%
General Motors Company ²	29.46%

¹ co-filed by Robeco and AP7

² co-filed by AP7, Benedictine Sisters, Monasterio Pan Vida, and Portico Benefit Services

Executive Compensation Misconduct Clawback Policies

Executive Compensation Misconduct Clawback Proposal Outcomes

Company	2018	2019
Abbvie Inc ¹		Settled
CVS Health Corp		Settled
Johnson & Johnson	Other ²	46.13%
Pfizer Inc.	Other ²	Settled

¹Co-filed by Connecticut Retirement Plans and Trust.

²Withdrawn for procedural reasons after the companies requested permission from the SEC to omit the proposals from their proxy statements.

The NYCERS submitted executive compensation clawback proposals to AbbVie Inc., CVS Health Corp., Johnson & Johnson, and Pfizer Inc. as part of their active participation in Investors for Opioid Accountability, a collaborative investor initiative that seeks to engage companies that manufacture, distribute or sell opioids, and advocate for governance reforms to strengthen independent board oversight and transparency, and management accountability with respect to business risks related to the Opioid crisis.

The NYCERS believe that compensation policies should promote sustainable value creation. As former GE general counsel Ben Heineman Jr. has said, recoupment policies with business-related misconduct triggers are “a powerful mechanism for holding senior leadership accountable to the fundamental mission of the corporation: proper risk taking balanced with proper risk management and the robust fusion of high performance with high integrity.”

Accordingly the NYCERS proposals asked each company’s board, to adopt a policy to (1) empower the board of directors to recoup compensation from senior executives responsible for misconduct that causes significant financial and/or reputational harm to the companies, either through their own actions or through a failure of supervisory oversight, (2) provide for public disclosure of any clawback actions taken under the policy. At those companies that already had a policy empowering the board to claw back compensation from executives responsible for costly misconduct, the proposals specifically requested an amendment to the policy to require the board to disclose any clawback actions under the policy (i.e., disclosure-only proposals).

The proposal submitted at AbbVie Inc. was withdrawn after the company adopted a policy empowering the board to claw back incentive pay from an executive officer who engaged in misconduct that would constitute a material breach of the company’s code of business conduct, which was defined to include language on leaders as role models as well as referencing responsibility for a hostile workplace environment as misconduct. In addition, the company committed to disclose in its annual proxy statement the occurrence of any recoupment regarding an executive officer when the underlying violation has already been publicly disclosed in company filings with the SEC.

The NYCERS withdrew the proposals at CVS Health Corp and Pfizer after the companies agreed to disclose any clawbacks so long the underlying event is public, prompting withdrawal of the proposals. The agreement with

Pfizer occurred after the company requested permission from the SEC to omit the proposal from its proxy statement, a request that the company withdrew following the negotiated agreement.

The proposal went to a vote at Johnson & Johnson (JNJ), after the company unsuccessfully sought permission from the SEC to exclude the proposal from its proxy statement, and received 46.1 percent of votes cast. In July 2018, a jury awarded \$4.7 billion to 22 women who claimed that asbestos in JNJ's talcum powder products caused them to develop ovarian cancer; the \$4.14 billion punitive damages component is reportedly among the largest ever awarded in a product liability case. In August 2019, subsequent to the company's annual meeting, a judge in Oklahoma ruled that JNJ had intentionally played down the dangers and oversold the benefits of opioids, and ordered it to pay the state \$572 million in the first trial of a drug manufacturer for the destruction wrought by prescription painkillers. JNJ has not disclosed any clawback of executive compensation in connection with either of these rulings.

Corporate Political Spending Disclosure

The NYCPS submitted shareowner proposals to two coal-intensive electric utilities requesting board oversight and disclosure of all direct and indirect corporate political spending. Board oversight and disclosure of corporate assets used for political purposes helps to mitigate the legal and regulatory risks that accompany political contributions and ensure that any corporate political spending is consistent with the long-term interests of the corporation and its shareowners and not at the whim of individual executives' political preferences.

Board oversight and transparency are especially important in the utility sector. First, companies' license to operate a public utility and or obtain approvals for new capacity and rate-setting rely upon government approvals. Second, while some energy companies are adjusting their long-term business and capital allocation strategies to address mounting regulations to limit global warming, others are instead lobbying to block or weaken regulation, including in ways that may not be disclosed or consistent with their publicly-stated positions.

Among the more significant outcomes, the NYCPS shareowner proposal at Alliant Energy received majority shareowner support, up from 39% in 2018.

Corporate Political Spending Disclosure Proposal Outcomes

Company	2018	2019
Alliant Energy Corp.	39.02%	54.31%
NRG Energy, Inc.	35.22%	45.40%

Independent Board Chair at Facebook

Independent Board Chair Proposal Outcomes

Company	2019
Facebook , Inc.	20.30%

In response to a series of scandals that harmed Facebook’s share price and damaged its relationships with key constituencies, the NYCPS, jointly with the Treasurers of Illinois, Rhode Island, Connecticut, Oregon and Trillium Asset Management, submitted a shareowner proposal to Facebook calling for an independent board chairman. The request is consistent with requests that the Comptroller has made in repeated letters (in 2018 and 2019) to Facebook’s lead independent director seeking corporate governance reforms consistent with NYCPS policies and expectations. At present, CEO Mark Zuckerberg is also board chairman, an inherent conflict of interest because the board is tasked with independently overseeing the CEO.

Revelations of problematic business practices have involved the use of Facebook’s platform to distribute disinformation, quash dissent, promote division, propagate hate speech, and even facilitate genocide. Others reflect Facebook’s cavalier attitude toward privacy, of which the Cambridge Analytica/Russian election interference debacle – in which the personal data of 50 million American users had been harvested from Facebook and improperly shared with Cambridge Analytica for the purpose of influencing the 2016 U.S. presidential election – is only the most high-profile example. The company has come under fire for allowing advertisers to unlawfully discriminate based on race and sex when targeting users.

The Justice Department, Securities and Exchange Commission, Federal Trade Commission (FTC), and Department of Housing and Urban Development are among the U.S. government agencies that launched investigations into Facebook. In July 2019, the FTC levied a \$5 billion fine on Facebook for its mishandling users’ personal information. The record-breaking settlement requires Facebook to implement changes to its privacy practices and its corporate structure, including requiring the board to establish an Independent Privacy Committee to oversee material privacy risks and issues at the company, a responsibility that currently rests with the board’s Audit and Risk Oversight Committee in response to past engagement by the Comptroller’s Office.

The prevalence of U.S. companies with an independent chairman is on the rise. According to Institutional Shareowner Services, the percentage of S&P 500 companies with an independent Chair has doubled, from 15 percent of firms in 2008 to 31 percent of companies in 2018. Alphabet (Google’s parent company), Apple, eBay, Autodesk, and Microsoft are among the leading technology companies that have independent board chairs.

In a letter sent to Facebook’s lead independent director on April 15, 2019, Comptroller Stringer reiterated the request for an independent board chair and called for Facebook’s board to commission an independent investigation of how Facebook’s governing structure has fueled Facebook’s corporate culture – and publicly disclose to shareowners the findings and recommendations.

While Facebook failed to respond to the letter, the shareowner proposal seeking independent board chair received substantial shareowner support – estimated at 68% of unaffiliated votes cast --at the company’s May 30, 2019 annual meeting. Because CEO Mark Zuckerberg controls a substantial majority of the voting power through a dual class share structure, the proposal received only 20.3% of all votes cast.

Inequitable Employment Practices

Inequitable Employment Practices Proposal Outcomes

Company	2019
Alphabet Inc.	12.48%
CBS Corporation	Settled/other

The NYCPS submitted proposals to Alphabet, Google's parent company, and CBS urging their respective boards of Directors to adopt a policy that the companies will not engage in any "Inequitable Employment Practice," which is defined in the proposal to include mandatory arbitration of employment-related claims, non-compete agreements with employees, agreements with other companies not to recruit one another's employees ("no poaching" pacts), and involuntary non-disclosure agreements ("NDAs") that employees are required to sign in connection with settlement of claims that an employee engaged in unlawful discrimination or harassment.

"No-poaching" pacts, in which companies agree not to recruit one another's employees, introduce labor market inefficiencies and inhibit innovation. In 2015, Alphabet settled software engineers' claims that it had a no-poaching agreement with Apple and Google. Federal legislation has been introduced to ban the practice, and 11 attorneys general are investigating fast food franchisees' agreements.

Companies increasingly seek to impose non-compete restrictions, originally designed for higher-level knowledge workers, on entry-level workers. The Obama Administration opposed this expansion, and measures to curb it have been introduced in Congress and many states, including New York. There is evidence that non-compete provisions stifle innovation and entrepreneurship, which in turn harms the broader economy.

Mandatory arbitration and NDAs undermine public policy by limiting remedies for wrongdoing and keeping misconduct secret. Mandatory arbitration precludes employees from suing in court for wrongs like wage theft, discrimination and harassment, and requires them to submit to private arbitration, which has been found to favor companies and discourage claims. The high-profile sexual harassment cases of former Fox News anchor Gretchen Carlson and Uber's Susan Fowler highlighted the impact of arbitration clauses. In December 2017, the "Ending Forced Arbitration of Sexual Harassment" bill was introduced in Congress by legislators from both parties. All 56 state and territorial attorneys general urged Congressional leaders to support it. NDAs, which can be used in both court settlements and arbitration, may conceal patterns of misbehavior. The secrecy NDAs can allow a toxic culture to flourish, increasing the severity of eventual consequences and harming employee morale. NDAs were allegedly used to keep sexual harassment by Harvey Weinstein and Bill O'Reilly secret, and the #MeToo movement has drawn substantial attention to this problem.

In recent years, companies have increasingly relied on these contractual arrangements involving their employees, which burden the economy, impede labor mobility and prevent the discovery and redress of misconduct. As a result, there is a robust public debate over their use, including responses by legislators, regulators and state attorneys general.

The proposal was withdrawn at CBS on technical grounds, but the Comptroller's Office had a substantive engagement with the company, which has yet to take any public action. Negotiations with Alphabet broke down after the company refused to extend a ban on mandatory arbitration that was previously enacted at Google to

other Alphabet-owned companies and to Google contract workers. The proposal received only 12.5% of the vote due to Alphabet’s dual class share structure in which insiders control a substantial majority of the voting power.

Collaborative Shareowner Initiatives

In addition to submitting shareowner proposals, the NYCERS and the Comptroller’s Office continued to be active participants in a broad range of collaborative investor initiatives, including both formal working groups – such as the Climate Action 100+, the Utility Decarbonization (Net Zero 2050) initiative led by the Comptroller on behalf of NYCER, TRS and BERS, the Human Capital Management (HCM) Working Group, and Investors for Opioid Accountability (IOA) – and informal coalitions in which investors join together to issue letters and statements to companies and regulators on a broad range of environmental, social, and governance risks.

Climate Action 100+

The NYCERS are members of the Climate 100+ (launched in December 2017), a coalition of worldwide investors that seek to engage the 100+ highest emitting companies globally, i.e. “Systemically Important Climate Emitters” over a five-year period to achieve the goals of the Paris Climate Agreement. The initiative encourages companies to curb emissions, improve climate governance and strengthen climate-related financial disclosures, including with respect to lobbying, to achieve the goals of the Paris Agreement.

The Climate Action 100+ program is coordinated globally by the Asia Investor Group on Climate Change (AIGCC), Ceres, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC), and Principles for Responsible Investment (PRI). The initiative had 360 investor signatories with over \$34 trillion in assets across dozens of countries.

The NYCERS are the lead investors for engaging with transportation sector companies, including General Motors (GM), Ford, and Paccar, as well as General Electric (GE), and are part of the investor group engaging with Southern Company, Duke Energy, and AES. Prompted by concerns regarding their corporate lobbying activity, and its apparent misalignment with their stated positions on climate change, the NYCERS submitted lobbying disclosure proposals to Ford and GM (see page 13).

At Ford and GM, discussions centered on urging the companies not to support a weakening of the CAFE standards which are under review, and to oppose efforts to undermine California’s authority to set vehicle emissions standards that 13 other states also adopt. Investor pressure resulted in 17 automakers (including Ford and GM) sending a letter in June 2019 to the administration and the governor of California asking that they reopen negotiations on vehicle standards. In July 2019, Ford (along with Honda, VW, and BMW) recognized California’s authority to set vehicle emissions standards by entering into a compromise agreement with California to annually reduce emissions on a nationwide basis.

Electric Utility Decarbonization (Net Zero 2050) Initiative

In February 2019, on behalf of the New York City Employees' Retirement System, Teachers Retirement System of the City of New York, and the New York City Board of Education Retirement System, Comptroller Stringer led a coalition of institutional investors representing some \$1.8 trillion in combined assets to demand the 20 largest publicly traded electricity generators in the U.S. commit to achieving net-zero carbon emissions. Coalition partners include the California Public Employees' Retirement System and New York State Comptroller Thomas P. DiNapoli, with significant research support from the Climate Majority Project.

U.S. utilities today are responsible for 28% of all U.S. greenhouse gas (GHG) emissions, which must be brought to "net zero" as completely and rapidly as possible in order to stay within the 1.5°C scenario outlined in the latest UN Intergovernmental Panel on Climate Change (IPCC) report. Current generation sources include widespread use of coal and natural gas, even though it is now often less costly to build new renewable energy generation capacity than to continue running coal-fired plants. At the same time, decarbonizing other critical aspects of economic activity, such as transportation, requires their rapid electrification, creating substantial new demand for the utilities' core product. Utilities therefore face both an historic opportunity and an unprecedented need for rapid transformation.

Just 20 top publicly traded utility companies account for 46 percent — nearly half — of U.S. power sector CO₂ emissions. The 20 utilities include AES Corporation, Ameren, American Electric Power Company, Dominion Energy/Scana Corporation, DTE Energy Company, Duke Energy Corporation, Entergy Corporation, Evergy Inc., Exelon Corporation, NextEra Energy Inc., NRG Energy Inc., OGE Energy Corp, PG&E Corporation, Pinnacle West Capital Corporation, PPL Corporation, Public Service Enterprise Group Incorporated, The Southern Company, Vistra Energy Corp., WEC Energy Group, and Xcel Energy Inc.

At the time that the initiative was launched in February 2019, only one of these 20 companies, Xcel Energy, had publicly committed to the net zero GHG emissions reductions target in line with the IPCC's recommendations. Moreover, even among those that had announced substantial reduction goals that fell short of the IPCC's recommendations, many had failed to translate those commitments into transformation with sufficient scale and speed. Some are even investing heavily in long-lived fossil-fuel infrastructure (such as gas plants and pipelines) which will likely need to be phased out before the end of their useful lives to reductions targets. Additionally, many have spent heavily in political, lobbying, and trade association activity that undercuts effective climate policy at the state and federal levels.

In a letter to each of the 20 utilities, the Comptroller called on the respective boards of directors to commit to net zero GHG emissions by 2050 and to implement four key governance reforms before issuing their 2020 proxy statements to achieve the net-zero target:

- **Identify the board member responsible for overseeing execution of the net-zero transition.**
- **Publish a detailed transition plan to achieve net-zero emissions from electricity generation no later than 2050.**
- **Incorporate transition milestones into executive compensation metrics.**
- **Disclose how political, lobbying and trade association activities will be aligned with the net-zero commitment.**

The Comptroller asked that the commitment and governance reforms — which are consistent with requests from the Climate Action 100+ initiative — be disclosed in the company's 2020 proxy statements. Engagement with the companies remains ongoing.

In September 2019, three major U.S. utilities – DTE Energy, Duke Energy, and NRG Energy – committed to the net-zero target that the coalition requested seven months prior. With these three utilities joining Xcel Energy, four of the top 20 electric utilities have committed to the net-zero target as of October 2019.

Investors for Opioid Accountability (IOA)

In July 2017, the UAW Retirement Benefits Trust and Mercy Investments, building on an earlier shareowner campaign of the Teamsters Union and others, launched a coalition to address the risks of the opioid crisis to investors. The group includes a mix of Treasurers, faith-based organizations, union-sponsored pension funds, and public pension funds that include the NYCERS. The coalition has grown to over 54 investors with over \$3.5 trillion in assets.

The group has focused its engagement efforts on opioid manufactures, distributors, and treatment and addiction drug manufacturers and pharmacies. These include McKesson, Cardinal Health, AmerisourceBergen, Assertio Therapeutics, Endo, Insys Therapeutics, Johnson & Johnson, Mallinckrodt, Pfizer, Alkermes, Mylan, Rite Aid, Walgreens, CVS, Abbvie, and Teva.

The requested reforms span a broad range of issues including forming a committee of independent directors to assess and report on the business risks of opioid to the company, adopt and/or strengthen clawback policies, independent board chair, political spending and/or lobbying, drug pricing, accelerated vesting, and exclusion of legal costs in executive pay awards.

As part of their participation in the group, the NYCERS filed shareowner proposals seeking enhanced clawback policies at Abbvie, CVS Health, Johnson & Johnson, and Pfizer in 2019; and at Assertio Therapeutics, Insys Therapeutics, Johnson & Johnson, and Pfizer in 2018; and also cosigned investor group engagement letters to Abbott Laboratories, Abbvie, CVS, AmerisourceBergen, and Walgreens.

Human Capital Management Coalition (HCMC)

As long-term shareowners, the NYCERS recognize that employees play a crucial role in ensuring any company's success. However, while companies frequently assert that their employees are their "most valuable asset," they generally disclose very little information about how they are managing their workforce – or, their "human capital" – to protect and create sustainable shareowner value.

In an effort to better understand the relationship between portfolio companies' human capital management practices and long-term performance, the Comptroller's Office, on behalf of the NYCERS, joined with a group of 16 large institutional investors to form the Human Capital Management Coalition ("HCM Coalition") in 2013. Since 2013 and continuing through 2019, the HCM Coalition—which is spearheaded by the UAW Retiree Medical Benefits Trust and has grown to include 25 institutional investors \$3 trillion in assets—has assembled research, organized symposiums, and supported member-led company engagements on human capital management practices and disclosures.

In a major step forward following four years of collective learning, in July 2017 the HCMC filed a [petition for rulemaking](#) to the SEC requesting improved human capital disclosure. The petition calls on the SEC to adopt standards that would require listed companies to report on human capital management policies, practices, and performance. The petition argues the investor case for enhanced disclosure and provides a foundation upon

which the SEC can build clear, comprehensive, and useful standards that would allow investors to better understand and assess how well companies are managing human capital.

In an indication of the HCMC'S success in elevating the importance of improved human capital disclosure to investors, the SEC proposed new rules requiring a principles-based approach, as opposed to the quantitative metrics sought by the working group, to human capital disclosure. In his statement announcing the rules, SEC Chairman Jay Clayton said the new amendments would "modernize and improve our disclosure framework, including recognizing that intangible assets, and in particular human capital, often are a significantly more important driver of value in today's global economy."

Other Unilateral and Collaborative Investor Initiatives

During fiscal 2019, the Comptroller, in his capacity as investment adviser to the NYCERS, and/or on behalf of certain NYCERS, signed on to the following unilateral and/or joint investor statements and letters to regulators, corporate disclosure standard setters, and companies:

Other Unilateral Initiatives

- A February 7, 2019 letter from the Comptroller to the Directors of the Divisions of Corporation Finance and Enforcement at the Securities And Exchange Commission requesting that the Divisions undertake an investigation and take appropriate remedial action with respect to statements by Oracle in his 2018 proxy statement. According to the letter, it appears that the company made materially false and/or misleading statements in urging his shareowners to vote against the proposal on gender pay equity at its 2018 annual meeting. In its opposition statement, the company made no mention that it was defending a suit filed by the U.S. Department of Labor's Office Of Federal Contract Compliance Programs, which alleges systematic discrimination against female and minority employees, as well as discriminatory recruitment and hiring practices--issues that pertain directly and significantly to the issues presented by the shareowner proposal.
- A March 15, 2019 letter from the Comptroller, specifically on behalf of NYCERS and TRS, to the Global Reporting Initiative (GRI) expressing strong support for the proposed GRI reporting standards for Tax and Payments to Governments. The IMF estimates that OECD developed countries lose 2% to 3% of their tax revenues every year to tax avoidance by multi-national corporations. These strategies deprive federal, state and local governments, including the City of New York, of much needed revenues to fund essential infrastructure and services, such as workforce development, that are fundamental to society and to a vibrant economy. In addition to economy-wide risks, aggressive tax behavior also poses a range of other risks to companies and their shareowners, including regulatory, financial and reputational risks. The proposed standard requirement for Country-by-Country reporting will better enable investors to assess and anticipate these risks. Among the other benefits to investors, reporting under the proposed standard, will allow investors to assess (a) whether and how taxes paid align with where economic value is created and (b) whether companies are seeking to generate profits by creating sustainable economic.
- A March 2019 letter to General Motors Company Chairman and CEO Mary Barra to express concerns about GM's role with regard to the Federal fuel economy (CAFE) and Greenhouse (GHG) vehicle regulations. The Comptroller's Office, jointly with other investors, has repeatedly engaged through letters, meetings and calls with GM on this issue and its role in the Auto Alliance regarding this federal rulemaking. Strong fuel economy standards are also critical to meeting the climate goals. The letter asked GM to play a constructive role in negotiating a compromise solution with California, whose standards are followed by

12 states, including New York, and the District of Columbia, and effectively serve as de facto National standards, and oppose the path that the current federal administration has taken to weaken the federal standards and possibly revoke California's exemption to establish its own higher standards.

Other Collaborative Initiatives

- An October 2018 letter mainly from State Comptrollers and Treasurers urging the U.S. Environmental Protection Agency (EPA) and Department of Transportation Administration (NHTSA) to retain the current Corporate Average Fuel Economy (CAFE) standards and withdraw the new proposal. The new Safer Affordable Fuel Efficient (SAFE) Vehicles Proposed Rule for Model Years 2021-2026 would freeze standards for the 2021 through 2026 model years at the 2020 level and revoke California's waiver, which was granted by the EPA in 2013 and allows California to set more stringent vehicle emission standards. The letter highlighted the importance of strong vehicle emission and fuel economy standards, and the potential harm from anthropogenic climate change on the nation's businesses as well as individual Americans.
- A November 1, 2018 letter to Tesla's independent directors calling on them to commence a renewal of the board and enact other necessary governance reforms, including permanently separating the roles of chairman and CEO, in light of the recent settlement between Tesla, Elon Musk, and the Securities and Exchange Commission. The letter, coordinated by the CTW Investment Group, was signed by investors with \$772 billion in assets under management.
- A November 2018 letter calling on Amazon to participate in more targeted engagement with shareowners on several ESG issues. Amazon has repeatedly avoided constructive and substantive dialogue with shareowners, prompting the filing of numerous shareowner resolutions. Since 2013 Amazon has sought no action relief from the SEC for 24 of 35 submitted by its shareowners. Amazon is a laggard compared to its peers on climate disclosure and supply chain labor standards. Engagement with shareowners can lead to valuable perspectives on ESG risks and also enhance its relationship with stakeholders. The letter was coordinated by the Interfaith Center on Corporate Responsibility (ICCR) and signed by over 100 investors with more than \$2.6 trillion in assets under management.
- A December 19, 2018 open letter, published in the Financial Times, calling on power companies, including power generators, grid operators and distributors, to plan for their future in a net zero carbon economy. Specifically, the letter asked companies to set out transition plans consistent with the goal of the Paris Agreement, including compatibility of capital expenditure plans. The letter, led by Aberdeen Standard Investments, was signed by global institutional investors representing \$11.5 trillion in assets under management.
- A December 2018 letter to 30 oil and gas companies calling on them to publicly and privately support continued direct methane regulation by the EPA and explicitly oppose the elimination of EPA methane regulation. The Trump Administration is trying to roll back methane regulations enacted in 2016. Methane is a powerful contributor to global warming that is up to 86 times more powerful than carbon dioxide in the short-term. Rolling back federal regulation may lead to excessive methane emissions that needlessly tarnish the reputation of natural gas as a clean fuel and call into question the role natural gas

can play in a low-carbon future. Current regulations to reduce methane waste have already proven effective at the state level in Colorado and California. The letter was signed by 61 investors representing \$1.9 trillion in assets under management.

- A December 2018 investor statement committing to take action to support the Just Transition by integrating the workforce and social dimension in our climate practices. As the statement notes, there is an increasing recognition that the social dimension of the transition to a resilient and low carbon economy has been given insufficient attention, notably in terms of the implications for the workplace and wider community. The Statement was coordinated by the UN Principles for Responsible Investment (PRI) and endorsed by investors representing US \$3.2 trillion in assets under management.
- A March 14, 2019 letter to Lyft’s independent directors expressing alarm regarding the company’s plan to adopt a dual class voting CTW Investment Group, was signed by investors with \$3.2 trillion in assets under management.
- A February 2019 Statement urging the Bangladesh Government not to abandon the Accord for Fire and Building Safety in Bangladesh until the government is fully capable of continuing its work to ensure the safety of garment workers. The Accord was established in May 2013 to address workplace safety in Bangladesh garment factories following the deaths of 1,134 workers in the Rana Plaza building collapse. Currently over 1,600 factories and 2 million garment workers are covered by the Accord and since then it has conducted close to 35,000 inspections of garment factories that are driving systematic reforms that will significantly mitigate the risks of future lapses in this sector. The statement, coordinated by the Interfaith Center on Corporate Responsibility (ICCR), was signed by a group of 190 global investors representing more than \$3.1 billion in assets under management.
- A March 2019 Investor letter requesting that the SEC decline Exxon’s request for no-action relief on a shareowner proposal, filed by NY State and Church Commissioners for England and co-filed by more than thirty-five other investors including NYC Comptroller’s Office, requesting that the company establish greenhouse gas reduction targets. Exxon had sought no-action relief, claiming alternatively that the proposal was vague, that it attempted to micromanage the company’s ordinary business operations, or that the company has substantially implemented the proposal.
- A May 2019 Statement, from investors representing more than \$1 trillion in combined assets, calling on portfolio companies to create inclusive workplaces that could benefit from employing the millions of talented people with disabilities who remain underrepresented in the workforce. In this joint statement the investors called on companies to adopt policies for setting goals for hiring people with disabilities and tracking progress in meeting those goals, and including people with disabilities in their corporate diversity and inclusion statements. This Initiative was led by New York State Comptroller Thomas P. DiNapoli and Oregon State Treasurer Tobias Read.
- A May 2019 letter to House Financial Services Committee Chair Maxine Waters expressing support for the current shareowner proposal process as governed by SEC Rule- 14a-8. Proposed changes in the

regulatory process could restrict the ability of shareowners to file resolutions. CII and Ceres analyses show that the current resubmission thresholds are not a waste of company resources and enable shareowner engagement on important measures. The current process provides a practical, formal means for shareowners to advise corporate boards and to aggregate their opinions through voting. It enables investors to take measured steps to protect their portfolio from the financial risk and promote more responsible and long term capital growth. The letter was coordinated by CERES and included investors with more than \$700 billion in assets.

2019 Shareowner Proposal Results by Company

Company	Issue/Proposal	NYCRS Proponents ¹	2019
Abbvie Inc	Clawback Policy	N,P,T	Settled
Alexion Pharmaceuticals, Inc.	Board Matrix	B,N,P,T	Settled
Alliance Data Systems Corp.	Board Matrix	B,N,P,T	Settled
Alliant Energy Corp.	Political Spending	B,N,P,T	54.31%
Alphabet Inc.	Mandatory Arbitration	B,N,P,T	12.48%
Analog Devices, Inc.	Proxy Access	B,F,N,P,T	Settled
Applied Materials, Inc.	EEO-1 Disclosure	B,F,N,P,T	Settled
Arthur J. Gallagher & Co.	Gender Pay Equity	N,P,T	Settled
CBS Corporation	Mandatory Arbitration	B,N,P,T	Settled/Other
Charter Communications, Inc.	Proxy Access	N,P,T	38.75%
Cincinnati Financial Corp.	Gender Pay Equity	N,P,T	Settled
CNO Financial Group, Inc.	Proxy Access	B,N,P,T	Settled
Commvault Systems, Inc.	Proxy Access	B,N,P,T	Settled
Crown Castle International Corp.	Proxy Access	B,N,P,T	Settled
CVS Health Corp	Clawback Policy	B,N,P,T	Settled
DaVita, Inc.	Gender Pay Equity	B,N,P,T	Settled
Devon Energy Corp.	Board Matrix	B,N,P,T	Settled
Digital Realty Trust, Inc.	Proxy Access	B,N,P,T	Settled
Exxon Mobil Corp.	Board Matrix	B,N,P,T	29.80%
Facebook , Inc	Independent Board Chair	B,F,N,P,T	20.30%
First Horizon National Corp.	Proxy Access	N,P,T	Settled
Flowserve Corporation	GHG Goals	B,N,P,T	27.53%
Ford Motor Company	lobbying	B,N,P,T	16.50%
General Motors Company	lobbying	B,N,P,T	29.46%
Hospitality Properties Trust	Proxy Access	B,N,P,T	Settled
IDEXX Laboratories, Inc.	Gender Pay Equity	B,N,P,T	Settled

Company	Issue/Proposal	NYCRS Proponents ¹	2019
Intuitive Surgical, Inc.	Gender Pay Equity	N,P,T	Settled
IPG Photonics Corp.	Proxy Access	B,N,P,T	Settled
Johnson & Johnson	Clawback Policy	N,P,T	46.13%
Lincoln National Corp.	Gender Pay Equity	B,N,P,T	Settled
Littlefuse, Inc.	Proxy Access	N,P,T	Settled
Marsh & McLennan Cos., Inc.	Gender Pay Equity	B,N,P,T	Settled
Masimo Corp.	Proxy Access	B,N,P,T	53.35%
Medidata Solutions, Inc.	Proxy Access	B,N,P,T	Settled
Minerals Technologies, Inc.	Board Matrix	B,N,P,T	Settled
Mohawk Industries, Inc.	Proxy Access	B,N,P,T	Settled
National Instruments Corp.	Proxy Access	B,N,P,T	Settled
Nektar Therapeutics	Proxy Access	B,N,P,T	Settled
Netflix, Inc.	Proxy Access	B,N,P,T	Settled
Noble Energy, Inc.	Board Matrix	N,P,T	Settled
NRG Energy, Inc.	Board Matrix	P,T	Settled
NRG Energy, Inc.	Political Spending	N	45.40%
Oasis Petroleum, Inc.	Proxy Access	B,N,P,T	Settled
Oracle Corporation	Gender Pay Equity	B,F,N,P,T	
Patterson-UTI Energy, Inc.	Proxy Access	B,N,P,T	Settled
Pfizer Inc.	Clawback Policy	N,P,T	Settled
Plantronics, Inc.	Proxy Access	B,N,P,T	Settled/Other
Pool Corp.	Proxy Access	B,N,P,T	Settled
Quest Diagnostics, Inc.	Gender Pay Equity	B,N,P,T	Settled
ResMed, Inc.	Gender Pay Equity	B,N,P,T	Settled
Sabra Health Care REIT, Inc.	Proxy Access	B,N,P,T	Settled
Senior Housing Properties Trust	Proxy Access	B,N,P,T	Settled
Tempur Sealy International, Inc.	Proxy Access	B,N,P,T	Settled

Company	Issue/Proposal	NYCRS Proponents ¹	2019
The Charles Schwab Corp.	EEO-1 Disclosure	B,N,P,T	39.84%
The Hartford Financial Services Group, Inc.	Gender Pay Equity	B,N,P,T	Settled
TransDigm Group, Inc.	GHG Goals	B,F,N,P,T	34.87%
Universal Health Services, Inc.	Proxy Access	B,N,P,T	8.98%
WEX, Inc.	Proxy Access	B,N,P,T	Settled

¹Indicates which of the NYCRS filed the 2019 proposal: B-BERS; F-Fire; N-NYCERS; P-Police; T-TRS

NYCRS Focus Companies Enacting Proxy Access, 2014 – 2019

The below table is a comprehensive list of companies that have received shareowner proposals requesting a proxy access bylaw since the launch of the Boardroom Accountability Project in fall 2014, together with voting results for those proposals that went to a vote and identifying those companies that have enacted bylaws as of August 30, 2019 providing proxy access on reasonable terms to shareowners that have held at least three percent of outstanding shares for three years following receipt of a shareowner proposal from the NYCERS. It excludes Chesapeake Energy, which agreed to enact proxy access in response to a proposal from the NYCERS prior to the fall 2014 launch of the Boardroom Accountability Project:

Company	2015	2016	2017	2018	2019	Enacted
3M Company		Settled				X
AbbVie Inc.		Settled				X
Abercrombie & Fitch Co. ¹	Settled		82.3%			X
ACI Worldwide, Inc.			Settled			X
Activision Blizzard, Inc.				Settled		X
AECOM				Settled		X
AES Corporation, The	66.4%	Settled				X
Albemarle Corporation			Settled			X
Alexandria Real Estate Equities,				Settled		X
Alexion Pharmaceuticals, Inc.	49.2%	Settled				X
Alliance Data Systems	55.7%	Settled				X
Alpha Natural Resources, Inc.	67.1%					Moot ²
Ameren Corporation		Settled				X
American Airlines Group Inc.		Settled				X
American Axle & Manufacturing				Settled		X
American Electric Power Co., Inc.	67.2%					X
American Tower Corporation		Settled				X
AMETEK, Inc.			Settled			X
Amgen Inc.		Settled				X
Anadarko Petroleum	59.4%					X
Analog Devices, Inc.					Settled	X
ANSYS, Inc.				Settled		X
Apache Corp.	92.7%					X
Apartment Investment and	57.7%	Settled				X
Arch Coal Inc.	36.3%					X
AvalonBay Communities Inc.	65.0%					X
Avon Products Inc.	75.7%	Settled				X
Baker Hughes Incorporated			Settled			Moot ²
BB&T Corporation			Settled			X
Bed Bath & Beyond Inc.		61.6%				X

Company	2015	2016	2017	2018	2019	Enacted
Big Lots Inc.	Settled					X
Boeing Company, The		Settled				X
C. R. Bard, Inc.			Settled			X
Cabot Oil & Gas Corporation	45.3%	45.5%				X
Caterpillar Inc.		Settled				X
CenterPoint Energy, Inc.			Settled			X
Cerner Corporation		Settled				X
CF Industries Holdings, Inc.	57.3%					X
Charles Schwab Corporation, The			61.3%	Settled		
Charter Communications, Inc.				38.8%	38.8%	
Cheniere Energy, Inc.	63.1%					X
Chevron Corporation	55.3%					X
Chipotle Mexican Grill, Inc.	49.9%	57.4%				X
Cimarex Energy Co.	56.2%					X
Cincinnati Financial Corporation				Settled		X
Citrix Systems, Inc.				Settled		X
Cloud Peak Energy Inc.	71.1%					X
CMS Energy Corporation		Settled				X
CNO Financial Group, Inc.					Settled	X
Colgate-Palmolive Company		Settled				X
Commvault Systems, Inc.					Settled	X
Concho Resources Inc.				Settled		X
ConocoPhillips	54.3%					X
CONSOL Energy Inc.	47.0%	52.4%				X
Consolidated Edison, Inc.			Settled			X
Crown Castle International Corp.			86.6%	Settled		X
D.R. Horton, Inc.				Settled		X
DENTSPLY Sirona Inc.			Settled			X
Devon Energy Corporation	58.1%	Settled				X
Diebold Nixdorf, Incorporated			Settled			X
Digital Realty Trust, Inc.					Settled	X
Dollar General Corporation			Settled			X
Dollar Tree, Inc.			Settled			X
Dominion Resources, Inc.		Settled				X
DTE Energy Company	61.7%					X
Duke Energy Corporation	62.7%	Settled				X
E. I. du Pont de Nemours and			Settled			Moot ²
eBay Inc.	59.4%	Settled				X
Electronic Arts Inc.	55.0%	Settled				X

Company	2015	2016	2017	2018	2019	Enacted
Entergy Corporation			Settled			X
Envision Healthcare Corporation				Settled		X
EOG Resources, Inc.	50.7%					X
EQT Corporation	66.3%					X
Equifax Inc.			Settled			X
Equity Residential	56.1%					X
Eversource Energy			Settled			X
Exelon Corporation	43.6%	Settled				X
Expeditors International of	35.0%					X
Express Scripts Holding Company		Settled				X
Extra Space Storage Inc.				Settled		X
Exxon Mobil Corporation	49.4%	61.9%				X
Fidelity National Financial, Inc.	60.9%	Settled				X
Fidelity National Information			Settled			X
First Horizon National					Settled	X
FirstEnergy Corp.	71.4%	Settled				X
FleetCor Technologies, Inc.	46.9%	62.3%				X
FMC Corporation			Settled			X
FMC Technologies, Inc.			Moot ²			Moot ²
Freeport-McMoRan Copper &	64.9%	Settled				X
GameStop Corp.			Settled			X
Global Payments Inc.			Settled			X
Harris Corporation				Settled		X
Hasbro Inc.	68.6%					X
HCP, Inc.	55.5%	Settled				X
Helmerich & Payne, Inc.				Settled		X
Hess Corporation	51.1%					X
Home Depot, Inc., The		Settled				X
Honeywell International Inc.		Settled				X
Hospitality Properties Trust			84.8%	85.0%	Settled	X
Humana Inc.			76.3%	Settled		X
Imperva, Inc.				Settled		X
Intel Corporation		Settled				X
Intercontinental Exchange, Inc.		Settled				X
International Business Machines		Other	59.4%	Settled		X
IPG Photonics Corporation					Settled	X
Johnson & Johnson		Settled				X
Kilroy Realty Corporation			Settled			X
Kinder Morgan, Inc.			58.6%			X

Company	2015	2016	2017	2018	2019	Enacted
Kroger Co., The				Settled		X
Leggett & Platt, Incorporated			Settled			X
Leucadia National Corporation			Settled			X
Level 3 Communications, Inc.	43.6%					X
Littlefuse, Inc.					Settled	X
LKQ Corporation			Settled			X
M&T Bank Corporation				Settled		X
Macerich Company, The		Settled				X
Marathon Oil Corporation	62.7%					X
Marsh & McLennan Companies,			Settled			X
Martin Marietta Materials, Inc.			72.5%	Settled		X
Masimo Corp.					53.4%	
Medidata Solutions, Inc.					Settled	X
Micron Technology, Inc.				Settled		X
Mid-America Apartment				Settled		X
Minerals Technologies Inc.			87.5%	Settled		X
Mohawk Industries, Inc.					Settled	X
Monster Beverage Corporation	41.9%	43.4%	40.7%	Settled		X
Murphy Oil Corporation	53.0%	Settled				X
Mylan, Inc.	Moot					Moot ²
Nabors Industries Ltd.	67.0%	60.4%	54.1%			X ³
National Instruments					Settled	X
National Oilwell Varco, Inc.			98.4%			X
Nektar Therapeutics					Settled	X
NetApp, Inc.			92.3%	Settled		X
Netflix, Inc.	71.0%	71.8%	66.8%	57.9%	Settled	X
NeuStar, Inc.			Moot ²			Moot ²
New York Community Bancorp	44.4%	67.1%	Settled			X
Newfield Exploration Company			Settled			X
NiSource Inc.		Settled				X
Noble Energy, Inc.	42.3%	38.4%				X
NRG Energy, Inc.		94.8%	Settled			X
NVR, Inc.	41.5%	Other				X
Oasis Petroleum, Inc.					Settled	X
Occidental Petroleum	62.0%					X
ONEOK, Inc.			Settled			X
O'Reilly Automotive, Inc.		66.2%	Settled			X
PACCAR Inc.	42.0%	45.2%	49.6%	Settled		X
Palo Alto Networks, Inc.				Settled		X

Company	2015	2016	2017	2018	2019	Enacted
Parker-Hannifin Corporation				Settled		X
Patterson-UTI Energy, Inc.					Settled	X
Peabody Energy Corp.	48.7%	Settled				X
PepsiCo, Inc.		Settled				X
Pfizer Inc.		Settled				X
Phillips 66			Settled			X
Pinnacle West Capital			Settled			X
Pioneer Natural Resources Co.	49.4%					X
Plantronics, Inc.					Settled	Pending
Pool Corporation					Settled	X
PPL Corporation ²	61.4%	Settled				X
Praxair, Inc.		Settled				X
Precision Castparts Corp.	58.7%	Moot ¹				
Priceline Group Inc., The	53.7%					X
PulteGroup, Inc.			Settled			X
Range Resources Corporation	60.9%					X
Regeneron Pharmaceuticals, Inc.	28.0%					
Republic Services	89.9%					X
Robert Half International Inc.				Settled		X
Roper Technologies Inc.	67.6%	Settled				X
Ross Stores, Inc.			Settled			X
Sabra Health Care REIT, Inc.					Settled	X
salesforce.com, Inc.		Settled				X
SBA Communications Corp.	46.3%	67.6%	Settled			X
SCANA Corporation			Settled			X
Sealed Air Corporation			Settled			X
Senior Housing Properties Trust			78.7%	Other	Settled	X
Signature Bank				Settled		X
Six Flags Entertainment				Settled		X
Skyworks Solutions, Inc.			Settled			X
SL Green Realty Corp.		Settled				X
Southern Company	46.2%	Settled				X
Southwestern Energy Co.	56.4%					X
Splunk, Inc.	Settled					X
Sprouts Farmers Market, Inc.			Settled			X
Staples, Inc.	Settled					X
Tempur Sealy International, Inc.					Settled	X
Texas Instruments Incorporated			Settled			X
Textron Inc.			Settled			X

Company	2015	2016	2017	2018	2019	Enacted
Tiffany & Co.				Settled		X
TJX Companies, Inc., The				Settled		X
Tractor Supply Company			Settled			X
TransDigm Group Incorporated				Settled		X
TRW Automotive Holdings Corp.	Moot					Moot ²
U.S. Bancorp		Settled				X
Ultimate Software Group, Inc.,			Settled			X
Union Pacific Corporation		Settled				X
United Therapeutics Corporation	Settled					X
Universal Health Services		8.9%	8.3%	8.4%	9.0%	
Unum Group		Settled				X
Urban Outfitters Inc.	40.6%	63.6%	Settled			X
VCA Inc.	45.9%	Other				Moot ²
Ventas, Inc.			Settled			X
VEREIT	Settled					X
VeriFone Systems, Inc.			Settled			X
Vertex Pharmaceuticals	58.4%	Settled				X
Visteon Corporation	75.7%	Settled				X
Vornado Realty Trust			Settled			X
W.W. Grainger, Inc.			Settled			X
Waters Corporation			89.4%			X
WebMD Health Corp.			Settled			X
WEC Energy Group, Inc.		74.7%				X
Wells Fargo & Company		Settled				X
Westmoreland Coal Co.	35.8%					X
WEX, Inc.					Settled	X
Whiting Petroleum Corp.	Settled					X
Williams Companies, Inc., The			Settled			X
Xcel Energy Inc.		Settled				X
Xilinx, Inc.			Settled			X
Zoetis Inc.		Settled				X

¹Abercrombie & Fitch board enacted proxy access after failing to obtain supermajority vote for management proposal in 2016.

²Bankruptcy, acquisition, or inversion

³Nabors provides proxy access by policy, not bylaw

Acknowledgements

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