



NEW YORK CITY COMPTROLLER  
**BRAD LANDER**

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# New York City Retirement Systems 2022 Shareholder Initiatives

## Postseason Report

BUREAU OF ASSET MANAGEMENT

**DECEMBER 2022**



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# A Message from Comptroller Brad Lander

As long-term investors whose responsibility is to safeguard the pensions of both current and future retirees, the five New York City Retirement Systems (“Systems”) must address long-term risks and investment opportunities. These risks and opportunities include those related to Environment, Social and Governance (“ESG”), which have become widely recognized as integral to effective investment decision-making. This year, on behalf of the Systems which I serve as a fiduciary, I established the Office of ESG within the Bureau of Asset Management to lead the work to integrate these considerations into our investment and engagement strategies, including the Systems’ proxy voting and shareholder program which this report describes in detail. In addition to the Systems’ proxy voting and shareholder program, the Office of ESG works to prudently:



- integrate ESG considerations into investment manager due diligence,
- engage with our managers on ESG issues and processes,
- draft policies for the pension funds to create value and mitigate risk over the long term by addressing ESG-related issues in investments,
- encourage sound human capital management practices at portfolio companies
- oversee the Systems’ Economically Targeted Investments,
- drive our efforts to promote Diversity, Equity & Inclusion and Emerging Managers, and
- focus our efforts on mitigating the risks and taking advantage of the opportunities posed by climate change.

Effective utilization of ESG factors as a consideration in investments addresses both systemic risks and idiosyncratic risks and opportunities. Systemic risks such as climate change, inequality and discrimination, if unaddressed, potentially have a negative impact on global markets, reducing returns for all investors with exposure to global markets. These risks affect large institutional investors as well as individual IRAs invested in index funds. Public equity and fixed income markets, which generally price in shorter term or idiosyncratic risks (such as a negative externality that affects a single company or a sector) but do not necessarily reflect systemic risks that can take years or even decades to affect individual companies or sectors. As long-term investors with holdings across most companies in global and local markets, we are committed to reducing risks that affect sustainable, long-term economic growth, which is the biggest determinant of whether we meet our investment objectives.

Strategic engagement with companies to confront specific risks like high emissions in their supply chain or poor human capital management results in changes in individual corporate behavior in the real world. We believe that corporate action that minimizes ESG risks and/or maximizes ESG opportunities facing their operations results in superior long-term sustainable risk-adjusted investment returns.

The Systems' proxy voting and shareholder program is core to addressing both systemic and idiosyncratic risks across our portfolio to advance long-term, sustainable returns. This report details the program for FY 2022 and its accomplishments.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander", written in a cursive style.

Brad Lander  
New York City Comptroller

# Corporate Governance and Responsible Investment

The New York City Comptroller, as investment adviser to the five New York City pension funds and retirement systems (individually “System” and collectively “NYCRS” or the “Systems”), is responsible for voting the Systems’ proxies and implementing the Systems’ shareholder initiatives. The Systems are comprised of the following:

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 Systems’ Boards of Trustees, the Systems’ proxy voting and shareholder initiatives programs actively promote sound corporate governance and sustainable business practices at portfolio companies to protect and enhance the long-term value of the Systems’ investments.

Within the New York City Comptroller’s Office, the Bureau of Asset Management’s Corporate Governance and Responsible Investment team develops and implements the proxy voting and shareholder program for each of the five Systems, including submitting shareholder proposals to and engaging with management and directors at portfolio companies. The Comptroller’s Office presents the recommended shareholder proposal 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”) for each System’s Board of Trustees. The Report covers proxy voting and shareholder proposal outcomes for the 12 months ending June 30, 2022, consistent with the fiscal year reporting period used by the Systems and by the City of New York. As 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 in this market.

In order to provide timely reporting to the Proxy Committees and Boards of Trustees, the Report also includes certain developments and outcomes subsequent to June 30, 2022.

For purposes of the Shareholder Proposals described in the rest of this report, except for those related to climate change risks, NYCRS refers to NYCERS, TRS, Fire and BERS unless otherwise noted. For climate-related proposals, NYCRS refers to NYCERS, TRS and BERS. See Table 1 on page 5 for the sponsoring Systems of each shareholder proposal.

# Shareholder Initiatives Program Highlights

During fiscal year 2022, the Comptroller's Office, on behalf of sponsoring Systems, submitted shareholder proposals to 25 portfolio companies and actively opposed the election of two directors at Amazon.com. See Table 1 on page 5 for a comprehensive list of the shareholder proposals, their outcomes, and the names of the sponsoring Systems.

The Systems withdrew approximately 85 percent of their shareholder proposals after the companies receiving the proposals agreed to take steps to implement the request. The most significant shareholder proposal results are listed below together with the results of the director "vote no" campaign:

## Employee Diversity:

- 11 companies committed to disclose their EEO-1 Report, which breaks down their U.S. workforce by race, ethnicity, and gender into ten employment categories.
- Since the July 2020 launch of NYCRS' Diversity Disclosure Initiative, 78 large companies have agreed to disclose their EEO-1 Report in response to engagement by the New York City Retirement Systems. As a result, more than 90 S&P 100 companies now disclose, or have committed to disclose, their EEO-1 Report, up from about 14 S&P 100 companies in July of 2020.
- Ignited by NYCRS' groundbreaking initiative, EEO-1 Report disclosure has quickly become a market standard beyond the S&P 100. According to DiversIQ, 310 S&P 500 companies now fully disclose their EEO-1 Report, with 25 more committed, as of July 2022.
- Since 2020, more than 20 companies have adopted similar search policies applying to directors or senior executives in response to NYCRS' shareholder proposals.

## Board and Senior Executive Diversity:

- Ford, BlackRock, Goldman Sachs, JP Morgan Chase, and Morgan Stanley committed to publicly disclose a Board Matrix with the self-identified race and ethnicity of each director.
- Valero Energy's board of directors adopted an Executive Officer Search policy requiring that when executive officers are recruited using a third-party recruiting firm, the initial list of external candidates provided to the board will include qualified gender and racially diverse candidates.

## Amazon “Vote No” campaign:

- NYCERS led a “vote no” campaign to oppose the election of two Amazon directors due to their inadequate oversight of the company’s health and safety practices as well as the company’s labor practices, which have repeatedly been found to violate state and federal law, workers’ rights, and Amazon’s own human rights policy. In a stinging rebuke, Amazon’s outside shareholders cast 27 percent of their votes against director Judith McGrath. By contrast, outside shareholders cast only three percent of their votes against her election in 2021.

## Climate Change

- Two large carbon-intensive electric utilities, Duke Energy and Dominion Energy, enhanced their disclosures to enable investors to assess whether the companies’ capital expenditures align with their commitments to achieve net zero greenhouse gas (GHG) emissions by 2050.
- General Electric and General Motors issued Climate-Related Lobbying Reports. Among other things, the reports include each company’s assessment of the alignment between their lobbying activities, including via their trade associations, and Paris Climate Agreement goals.
- Specialty steelmaker Carpenter Technology committed to disclose an aspirational goal to achieve net-zero carbon emissions by 2050 for scope 1 and 2 emissions. The company had previously disclosed an interim goal of 30 percent reduction in CO2 emissions intensity by 2035 (from 2019 baseline).

## Executive Stock Trading

- First-time shareholder proposals to curb opportunistic use of executives’ 10b5-1 stock trading plans received 49 percent and 49.5 percent support, respectively, at Abbott Laboratories and McKesson. While the use of 10b5-1 stock trading plans shields executives from fear of prosecution for insider trading, investors are concerned about their potential for abuse, and there is history of fortuitously timed stock sales among executives using 10b5-1 plans at Abbott Laboratories and McKesson.

The table below lists each shareholder proposal. The table indicates proposals that were settled, and thus withdrawn. For proposals that went to a vote, the vote outcome is provided. The table also identifies which Systems sponsored the proposal. The following sections of this report further describe proposal settlements as well as some of the additional engagements conducted by the Comptroller’s Office.

**Table 1: 2022 Shareholder Proposals and Outcomes by Issue**

Company	Proposal Issue	NYCRS Sponsors <sup>1</sup>	Outcome
Abbott Laboratories	10B5-1 Insider Trading Policy	N, B	49.0%
McKesson	10B5-1 Insider Trading Policy	N, F, T, B	49.5%
NextEra Energy	Board Diversity Disclosure (director-specific)	N, F, T, B	25.30%
BlackRock	Board Diversity Disclosure (director-specific)	N, F, T, B	Settled
Ford Motor Company	Board Diversity Disclosure (director-specific)	N, F, T, B	Settled
JPMorgan Chase & Co.	Board Diversity Disclosure (director-specific)	N, F, T, B	Settled
Morgan Stanley	Board Diversity Disclosure (director-specific)	N, F, T, B	Settled
The Goldman Sachs Group.	Board Diversity Disclosure (director-specific)	N, F, T, B	Settled
Dominion Energy	CapEx Alignment w/Decarbonization Goals	N, T, B	Settled
Duke Energy Corporation	CapEx Alignment w/Decarbonization Goals	N, T, B	Settled
Valero Energy Corporation	C-Suite Diversity Search Policy	N, F, T, B	Settled
American Express Company	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Anthem	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Honeywell International	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Illumina	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Intuitive Surgical	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
PNC Financial Services Group.	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Raytheon Technologies	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Simon Property Group, Inc.	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Texas Instruments	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
PNC Financial Services Group	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
T-Mobile US,	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Zoetis	Employee Diversity (EEO-1 Report) Disclosure	N, F, T, B	Settled
Carpenter Technology	GHG Reduction Goals	N, T, B	Settled
Amazon.com	Health & Safety Disparate Impact	N, T, B	13.2%
General Electric Company	Paris-Aligned Lobbying Report	N, T, B	Settled

<sup>1</sup>Column identifies which systems sponsored the proposal: N-NYCERS, T-TRS, F-Fire, and B-BERS

# Diversity, Equity, and Inclusion

## Board Racial/Ethnic Diversity: Advancing Director-Specific Disclosure

This year, NYCERS filed shareholder proposals requesting the disclosure of a board matrix at Ford Motor Company, NextEra Energy, Inc. and four leading financial services firms (BlackRock, Inc., JPMorgan Chase & Co., Morgan Stanley and The Goldman Sachs Group). The requested matrices must include the self-identified gender and race/ethnicity of each director or director nominee, as well as their most relevant skills and attributes, considering the company's overall business, long-term strategy, and risks ("Board Matrix"). Many investors believe that a diverse board — in terms of relevant skills, gender, **and** race/ethnicity — is an indicator of a well-functioning board. Among other benefits, diverse boards can better manage risk by avoiding groupthink. A company's board sets the tone from the top and the disclosure of a Board Matrix would signal to its employees, customers, suppliers, and investors that the directors themselves recognize its value.

When investors prioritize board diversity in their proxy voting guidelines and engagement initiatives, significant time and resources must be spent attempting to ascertain director information from ambiguous and aggregate company disclosures or relying on data providers, which must also draw from the same imprecise sources. Even when photographs are provided, investors and data providers may be unable to correctly determine the race or ethnicity of directors. As a result, it can be unnecessarily challenging for investors to fulfill their fiduciary duties and vote according to their own proxy voting guidelines.

A Board Matrix enables investors to make better-informed proxy voting decisions by providing them with consistent, comparable and accurate data concerning directors in a structured and decision-useful format. Such information enables investors to: (1) assess how well-suited individual director nominees are for the company in light of its long-term business strategy and risks, including the overall mix of director attributes and skills; (2) identify any gaps in skills or attributes; (3) make meaningful, year-over-year comparisons of the board's composition; and (4) ascertain the self-identified gender, race/ethnicity, skills and attributes of any particular director who has assumed leadership roles on the board as well as her tenure.

The proposals neither prevented nor discouraged the companies from disclosing any other data or information that the board believes is relevant.

NYCERS withdrew proposals at Ford, BlackRock, JPMorgan Chase, Morgan Stanley and The Goldman Sachs Group when they committed to publicly disclose a Board Matrix in their next proxy statement. As described on page 14, the proposal submitted to NextEra Energy, which was modified to request information on directors' climate competencies, went to a vote.

## Employee Diversity: Disclosure of Standardized and Reliable Data

Building on its employee diversity disclosure initiative launched in July 2020, NYCRS submitted shareholder proposals to 11 S&P 100 companies requesting that they disclose their Consolidated EEO-1 Report. The EEO-1 Report breaks down a company's U.S. workforce by race, ethnicity, and gender according to 10 employment categories including senior management, defined to incorporate individuals within two reporting levels of the CEO.

Since the July 2020 launch of the NYCRS' Diversity Disclosure Initiative, 78 large companies have agreed to disclose their EEO-1 Report in response to engagement by the NYCRS. As a result, more than 90 S&P 100 companies now disclose, or have committed to disclose, their EEO-1 Report, up from about 14 in July of 2020.

Ignited by NYCRS' groundbreaking initiative, EEO-1 Report disclosure has quickly become a market standard beyond the S&P 100. According to DiversIQ, 310 S&P 500 companies now fully disclose their EEO-1 Report, with 25 more committed, as of July 2022.<sup>1</sup>

By providing standardized, quantitative, and reliable data that is comparable across companies and industries, EEO-1 Report disclosures will enable investors to assess the representation of Black employees, other employees of color, and women at various levels of the corporation.

A study by McKinsey & Company found a "positive, statistically significant correlation between company financial outperformance and diversity," with respect to both gender and ethnicity. "This is evident at different levels of the organization, particularly on executive teams."<sup>2</sup> In fact, simply disclosing the EEO-1 Report is associated with higher returns. According to Just Capital, companies that disclose their EEO-1 Report delivered higher returns (by 2.4 percent over the trailing one-year period ending in 2021) than those that did not disclose an EEO-1 Report or an equivalent.<sup>3</sup>

In response to NYCRS' 2022 shareholder proposals, the following companies agreed to the annual disclosure of their Consolidated EEO-1 Report: American Express, Anthem, Honeywell International, Illumina, Intuitive Surgical, Raytheon Technologies, Simon Property Group, Texas Instruments, The PNC Financial Services Group, T-Mobile, and Zoetis.

## Valero Energy: Increasing Diversity in the C-Suite

NYCRS filed a shareholder proposal at Valero Energy. Modeled on the National Football League's "Rooney Rule," the policy does not dictate who should be selected but instead widens the talent pool by requiring a diverse set of candidates for consideration before a hiring decision. A 2016 study published by the Harvard Business Review concluded that including more than one woman

or one minority candidate in a finalist pool helps to combat unconscious bias among interviewers.<sup>4</sup>

In response to NYCRS' shareholder proposal, Valero Energy's board of directors adopted an Executive Officer Search Policy, which requires that when executive officers are recruited using a third-party recruiting firm, the initial list of external candidates provided to the board will include qualified gender and racially diverse candidates. Since 2020, more than 20 companies have adopted similar search policies applying to directors or senior executives in response to NYCRS' shareholder proposals.

# Fair, Safe and Equitable Workplace

## Amazon: Overseeing Human Capital

NYCRS' multi-year efforts to address extensive concerns about Amazon's labor practices escalated in 2022, when the Systems filed a shareholder proposal regarding health and safety and, jointly with the New York State Common Retirement Fund and Office of the Illinois State Treasurer, led a "vote no" campaign against the re-election of directors Daniel Huttenlocher and Judith McGrath. Both Huttenlocher and McGrath are longstanding members of the Board's Leadership Development and Compensation Committee (the "Committee"), which is responsible for overseeing human capital management.

### The Shareholder Proposal

The company unsuccessfully sought Securities and Exchange Commission ("SEC") permission to exclude NYCRS' health and safety shareholder proposal from its proxy statement. The proposal called on the board to prepare a report examining whether Amazon's poor health and safety practices give rise to any racial and gender disparities in workplace injury rates among its warehouse workers and the impact of any such disparities on the long-term earnings and career advancement potential of female and minority warehouse workers. The proposal received 13 percent of votes cast (or an estimated 16 percent of outside shareholder votes) at the company's annual meeting.

### The "Vote No" Campaign

NYCRS' director "vote no" campaign, which focused on a wide range of human capital management oversight failures, built on its more narrowly focused shareholder proposal. The decision to publicly oppose the directors' election was prompted by their unresponsiveness to the institutional investors' meeting request. It was the second time in two years that management, responding on the directors' behalf, failed to make the directors available for a meeting with large shareholders. This year, the investor group formally requested a meeting to discuss how the board, through the Committee, exercises independent oversight over management's performance with respect to human capital management, particularly in the areas of health and safety, freedom of association, and diversity, equity, and inclusion.

In a letter to investors, NYCRS urged shareholders to vote against the two directors because of inadequate board oversight of company health and safety and labor practices, which have been found to violate state and federal law and also conflict with Amazon's own human rights policy.

Since 2017, for example, Amazon reported a higher rate of serious injury incidents leading to missed work or to light-duty shifts at its warehouses than other retailers, according to one analysis of government data. Another report found Amazon's warehouse workers are injured more frequently, and more severely, than in non-Amazon warehouses. Amazon's health and safety practices also violated state labor law.<sup>5</sup>

In response to multiple efforts by its warehouse workers to form unions in Alabama and New York, Amazon worked with anti-union consultants and employed numerous tactics that interfered with its employees' freedom of association. These strategies included holding mandatory captive audience meetings with employees, a practice which the General Counsel of the National Labor Relations Board (NLRB) has declared is inconsistent with the National Labor Relations Act.<sup>6</sup> The NLRB General Counsel also accused Amazon of multiple unfair labor practices, including threatening, interrogating, surveilling and/or retaliating against employees.<sup>7</sup> The NLRB determined that Amazon unlawfully interfered with workers' rights during the first election at the Alabama facility and ordered a new election.

Amazon's aggressive interference in its workers' organizing efforts runs contrary to its own publicly stated corporate policies on human rights, which affirm support for freedom of association. As defined by the International Labour Organization (ILO), "freedom of association refers to the right of workers and employers to create and join organizations of their choice freely and *without fear of reprisal or interference*."<sup>8</sup>

These board oversight failures have had adverse consequences for Amazon and its employees and may have contributed to its unusually high employee turnover relative to peers; one report estimated Amazon's front-line turnover rate to be around 150 percent per year, which is nearly double the rate of similar businesses. The letter also cited the Committee's decision to grant the company's five highest paid executives approximately \$400 million in compensation in 2021, including \$212 million to new CEO Andrew Jassy, as exacerbating concerns with its oversight and priorities.

In a rebuke, Amazon's outside shareholders cast 27 percent of their votes against McGrath, chair of the Committee in the more consequential director election at the annual meeting. By contrast, outside shareholders cast only 3 percent of their votes against her election in 2021.

In July 2022, two months after Amazon's annual meeting, federal prosecutors in New York and the U.S. Department of Labor announced that they were inspecting Amazon warehouses around the country as part of a civil investigation into unsafe workplace conditions. In August 2022, the U.S. Occupational Health and Safety Administration opened a second Amazon investigation following two worker deaths at separate Amazon warehouses in New Jersey.<sup>9</sup>

## Starbucks: Defending Fundamental Workers' Rights

In December 2021, the Comptroller's Office initiated engagement with Starbucks as a result of wide-spread reports of anti-union tactics taken by the company in response to unionization efforts in Buffalo. In a letter to the company, the Comptroller's Office, as part of an investor group led by Trillium Asset Management and Parnassus Investments, urged the Company to accept the results of the imminent union election and to proceed expeditiously and in good faith based on its results.

The Comptroller's Office and collaborating investors subsequently met with Starbucks' CEO, Kevin Johnson, to communicate concerns with the company's interference with its workers' right to form a union, which contradicts the company's own policies.

In March of 2022, the Comptroller's Office co-led an investor group (with Trillium and Parnassus, among others) representing over \$3.4 trillion in assets, which sent a letter to Mellody Hobson, Independent Chair of the Board of Directors, and CEO Kevin Johnson. The letter requested a meeting and called on the company to publicly commit to respect workers' rights to organize a union and to swiftly negotiate fair and timely collective bargaining agreements with workers if they voted to do so.

Johnson retired as CEO the following day, and the board named Chair and former CEO Howard Schultz to serve as interim CEO until April 2023. Starbucks acknowledged the March letter but was unresponsive to the meeting request. Since taking the helm, Schultz has been outspoken in his opposition to Starbucks' workers forming a union.

## Unilever: Calling for Investor Vote on Potential New Director

In April of 2022, Comptroller Lander sent a letter to Nils Andersen, Chair and Non-Executive Director of Unilever, in response to media reports that that activist investor Trian Partners ("Trian") had built a substantial ownership stake in the company. In the letter, Comptroller Lander expressed his view that as a matter of good corporate governance, investors should have the right to express their views on any Trian nominees through the election of directors. Recent market trends suggested that a hasty settlement was a legitimate concern for Unilever shareholders — in 2021, activist investor campaigns concluded in settlement agreements more frequently and more quickly compared to prior years.

Comptroller Lander also expressed concerns about Trian's track record of seeking short-term results and its weak commitment to sustainability. While under Nelson Peltz's leadership as board chair, Wendy's inexplicably refused to join the Fair Food Program ("FFP"), the gold standard for preventing human rights abuses in its produce supply chain.

The FFP was created by the Coalition of Immokalee Workers and is recognized for preventing human rights abuses, such as human trafficking, as well as sexual assault and harassment. Most of Wendy's main competitors, including McDonald's and Burger King, are already part of the program. Subway, Trader Joe's, Walmart and Whole Foods are also signatories.

The FFP has received the Presidential Medal for Extraordinary Efforts in Combatting Modern-Day Slavery and, according to the New York Times, it is credited with transforming Florida tomato farms once called "ground zero for modern day slavery" into "probably the best working environment in American agriculture."<sup>10</sup>

On May 31, 2022, Unilever named Peltz to its board. In a letter to Comptroller Lander dated the same day, Andersen expressed support for Peltz as a director, noting that he had "called out sustainability as one of the areas he wanted to help drive in Unilever."

## Regulatory Engagement on Fair, Safe and Equitable Workplace

In a February 2022 letter to SEC Chair Gary Gensler, the Comptroller, together with New York State Comptroller Tom DiNapoli and State Treasurers of Connecticut and Rhode Island, urged the SEC to require the inclusion of data related to disability status as part of any proposed rulemaking around human capital management and diversity disclosure. The letter followed a 2022 letter from the City Comptroller recommending that the SEC require companies to disclose their Comprehensive EEO-1 Report to provide investors with decision-useful workforce diversity data in any human capital management rulemaking.

# Climate Change<sup>11</sup>

As long-term institutional investors, the Systems are exposed to company-specific investment risks created by climate change, as well as to the broader systemic risks to companies, investors, the markets, and the economy as a whole. To avoid the most devastating consequences of global warming, the Paris Climate Agreement—signed by 197 countries—established a goal to limit global temperature rise this century to well below 2 degrees Celsius and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

To manage climate-related investment risks and support a just transition to a low carbon economy, the Comptroller’s Office engages the highest greenhouse gas (“GHG”) emitting portfolio companies to urge them to take a leading role in achieving the goals of the Paris Climate Agreement. This includes implementing strategies and practices consistent with the decarbonization goals they have adopted. The Systems seek to improve climate-related corporate governance, curb GHG emissions, align business practices (e.g., lobbying and capital expenditures) with the goals of the Paris Climate Agreement, and strengthen climate-related financial disclosures. In conjunction with these efforts, the Comptroller’s Office also engages various regulatory agencies to mandate that companies provide investors with consistent, comparable climate-related financial disclosures.

Many of these company engagements are conducted as part of NYCRS’ participation in the [Climate Action 100+](#) (“CA100+”), an ambitious global investor collaboration through which 700 global investors with \$68 trillion in assets across 33 markets encourage the world’s 166 highest emitting companies — responsible for an estimated 80 percent of global emissions — to take necessary action on climate change. NYCRS is a founding member and serves as the lead investor on behalf of the CA100+ at Ford, General Electric (GE), and General Motors (GM), as co-lead at truck-maker Paccar, and as a participating investor in engagements with other CA100+ focus companies, mainly electric utilities.

## Automaker Engagement: Ford, General Motors, and Toyota

Greenhouse gas emissions from transportation accounted for approximately 27 percent of total U.S. greenhouse gas emissions in 2020, making it the largest contributor to U.S. GHG emissions. Moreover, the ability of the U.S. to meet its climate goals is contingent on strong vehicle emissions and fuel economy standards and a rapid shift to electrification and low-emission vehicles. Thus, as the policy and regulatory landscape at the national and state level evolves, NYCRS expects automakers to support actions consistent with their climate commitments.

NYCRS’ multi-year engagements with Ford and GM have largely focused on the companies’ lobbying positions concerning vehicle standards as well as the pace and scale of the automakers’ electrification efforts. During the 2022 proxy season, NYCRS submitted a shareholder proposal to

GM requesting that the company conduct an evaluation and issue a report (“Paris-Aligned Lobbying Report”) describing how its lobbying activities and spending (including through trade associations) align with the Paris Climate Agreement’s goal of limiting average global warming to well below 2 degrees Celsius.

In response to NYCRS’ shareholder proposal, GM committed to issue the lobbying report on an annual basis for at least three years.

The first report, issued in December 2021, was an important step, however, it did not demonstrate how the company’s lobbying was consistent with the Paris Agreement. In August 2022, GM CEO Mary Barra expressed GM’S strong support for the Inflation Reduction Act. Her support for the proposed legislation, which provides \$370 billion in climate-related funding including substantial incentives for electric vehicles, was especially significant given that the Business Roundtable, which she chairs, opposed the legislation.

There has also been progress with respect to both Ford and GM’s commitments to electric vehicles. In 2022, Ford increased its committed spending on electric vehicles (“EVs”) from \$30 billion to \$50 billion through 2026. Ford has also electrified some of its most popular vehicles including the F-150. GM, which has committed to spend at least \$35 billion on electrification by 2025, provided greater detail with respect to its EV fleet plans soon after Comptroller Lander met with Barra and stressed the importance of providing investors with greater disclosure.

In addition, in September 2022, GM and the Environmental Defense Fund announced recommendations for passenger vehicles model year 2027 and beyond, encouraging EPA, among other things, to establish standards aimed at ensuring that at least 50 percent of new vehicles sold by 2030 are zero-emitting.<sup>12</sup>

The Comptroller’s Office met twice with Toyota, urging it to shift its lobbying activities to one consistent with Paris goals and accelerate its transition from hybrid vehicles to electrification.

## **PACCAR: Advocating for Science-Based Targets and Zero Emissions Vehicles**

The Systems, along with Calvert Research and Management (“Calvert”) continued their engagement with PACCAR, a maker of light, medium and heavy-duty commercial vehicles. As part of CA100+, engagement focused on GHG reduction goals and PACCAR’s work to bring Zero Emission Vehicles (“ZEVs”) to market. In 2021, the company established a certified Science Based Target for GHG emissions reductions. Importantly the commitment includes reducing scope 3 GHG emissions created by customers’ use of its trucks. While the company has seven battery electric vehicles available and has allocated significant capital to research and development consistent with accelerating demand, more needs to be done to support the company’s GHG goals. NYCRS and Calvert emphasized the importance of aggressively preparing for the transition to ZEV, as well as clearly communicating the company’s strategy. Investors sought greater detail

about the company's plans concerning ZEVs and the company disclosed projections for their market growth.

## Dominion Energy/Duke Energy: Aligning CapEx with Net Zero Goals

NYCRS filed shareholder resolutions at two of the country's largest corporate greenhouse gas emitters, Duke Energy Corporation and Dominion Energy, seeking disclosure of detailed information describing how the companies plan to align their capital expenditures with any anticipated short, medium, and long-term targets for their Scope 1, 2 and 3 greenhouse gas emissions. Both utilities, which previously committed to achieve net zero GHG emissions by 2050, expanded those commitments in 2022 to include certain Scope 3 emissions.

In 2020, Deloitte identified "significant gaps between decarbonization targets [at U.S. utilities with net zero goals] and the scheduled fossil fuel plant retirements, renewable additions and flexibility requirements needed to achieve full decarbonization. *The math doesn't yet add up.*"<sup>13</sup>

Following negotiations, Dominion Energy agreed to include in its climate report a narrative discussion on its capital allocation evaluation process related to the company's climate goals and its planned and projected investments. It also made an affirmative public statement that its capital investment plan aligns with and supports its net zero goal. Duke Energy agreed to include additional disclosures in its earnings materials, upcoming climate report and ESG investor day materials.

## General Electric: Reports on Alignment of Lobbying with Paris Goals

NYCRS submitted a shareholder proposal calling on the board of directors to conduct an evaluation and issue a Paris-Aligned Lobbying Report describing if, and how, GE's lobbying activities (directly and indirectly through trade associations and social welfare and nonprofit organizations) align with the Paris Climate Agreement's aspirational goal of limiting average global warming to 1.5 degrees Celsius. The proposal also called on the company to assess how the company plans to mitigate risks presented by any such misalignment. GE has expressed clear support for the Paris Agreement's goal of limiting GHG emissions. In response to constructive engagement, General Electric issued a Paris-Aligned Lobbying Report.

## Carpenter Technology: Sets Net Zero GHG Emissions Goal

In response to a shareholder proposal from NYCERS, specialty steelmaker Carpenter Technology will disclose an aspirational goal to achieve net-zero carbon emissions by 2050 for Scope 1 and 2 emissions. The company had previously disclosed an interim goal of a 30 percent reduction in CO2 emissions intensity by 2035 (from 2019 baseline).

In addition, the company committed to a follow-up meeting in early 2023 to discuss science-based targets, including with respect to Scope 3 emissions; Science Based Target Initiative's steel sector decarbonization guidance, if available; and specific targets for renewable energy and energy efficiency. Finally, the company agreed to consider joining Responsible Steel, the steel industry's global multi-stakeholder standard and certification initiative.

## NextEra Energy: Resists Disclosing Directors' Climate Competencies

NYCERS submitted a proposal to NextEra Energy requesting that its board disclose a board matrix that includes each director/nominee's self-identified gender and race/ethnicity, as well as the skills and attributes that are most relevant in light of the Company's overall business, long-term strategy, and risks, particularly with respect to climate change. See page 6 for additional NYCERS efforts concerning board diversity.

While negotiations with the company regarding the requested director-specific information proved unproductive, the company subsequently supplemented its proxy statement disclosure to include the collective competencies of its board, and infographics separately identifying the Board's aggregate gender diversity and racial/ethnic diversity. NYCERS' shareholder proposal received moderate support, or 25 percent of votes cast, at the company's 2022 annual meeting.

Notwithstanding its opposition, NextEra may be required to provide the requested disclosure with respect to an individual director's climate-related expertise. The SEC's proposed climate change disclosure rule described below would "require disclosure of whether any member of a registrant's board of directors has expertise in climate-related risks, with disclosure required in sufficient detail to fully describe the nature of the expertise."

## Supporting Carbon Disclosure Project (CDP) Campaigns

During fiscal year 2022, the Comptroller joined two ambitious global engagement campaigns launched by the Carbon Disclosure Project (CDP). These include the [2022 Non-Disclosure Campaign](#) directed at global companies that do not disclose their GHG emissions and the [CDP](#)

[Science-Based Targets Campaign](#), an ambitious initiative to encourage the world’s highest impact businesses to set emissions goals in line with the Paris agreement’s 1.5°C goal that are validated by the Science-Based Targets initiative (SBTi.)

## Regulatory Engagement on Climate Change

In March 2022, the SEC proposed a historic rule to require companies to provide climate-related financial disclosures. *The Enhancement and Standardization of Climate-Related Disclosures for Investors* would require registrants to include certain climate-related financial statement metrics as part of their audited financial statements as well as certain climate-related disclosures in their registration statements and periodic reports. Such required disclosure would include information about climate-related risks that are reasonably likely to have a material impact on their business, results of operations, or financial condition.

Comptroller Lander submitted an extensive comment letter in strong support of the proposed Rule. The Comptroller noted that regulating climate risk disclosures in the same manner as financial reporting would provide investors with reliable, consistent, comparable, and decision-useful information necessary to make more informed investment and proxy voting decisions. In addition, such disclosures would facilitate constructive investor engagement with their portfolio companies, and enable NYCERS, TRS and BERS to make the informed investment decisions necessary to achieve their net zero greenhouse gas emission target by 2040.

In addition to the comment letter, the Comptroller’s Office engaged with policymakers regarding the replacement of lax vehicle standards enacted under the Trump administration. Engagements included meeting with the Office of Management and Budget to advocate for the strengthening of proposed standards and reiterating this position in subsequent letters to U.S. Environmental Protection Agency (“EPA”) and the National Highway Traffic Safety Administration. In an unprecedented response to public comment, the agencies adopted final rules that were stronger than those proposed. In addition, the Comptroller co-signed an investor letter urging EPA to adopt more stringent truck emission standards.

Finally, the Comptroller joined with institutional investors in signing various statements directed at governments and companies around the world. These include the [2022 Global Investor Statement to Governments on the Climate Crisis](#), coordinated by the Investor Agenda and signed by 602 global investors representing almost \$42 trillion in assets. The Comptroller also signed the February 2022 [Statement of Investor Expectations for Job Standards & Community Impacts in the Just Transition](#), coordinated by the Interfaith Center on Corporate Responsibility (ICCR) and signed by institutional investors representing almost \$4.2 trillion in assets.

# Executive Stock Trading

With proper safeguards, 10b5-1 plans can enable executives to sell stock to diversify their holdings to meet legitimate personal needs without fear of prosecution for insider trading. However, many stakeholders, including former SEC Chair Jay Clayton and current Commission Chair Gary Gensler, have recognized the need to strengthen the rule so that it does not facilitate opportunistic trading by corporate insiders.

A 2021 analysis, Gaming System: Three ‘Red Flags’ of Potential 10b5-1 Abuse, examined over 20,000 Plan adoption dates and trades and identified “red flags” associated with opportunistic use of 10b5-1 plans. According to Professor Daniel Taylor, one of the study’s authors, “[p]harmaceutical companies tend to use the rules much more aggressively than other sectors” because “there’s much more of an opportunity for material nonpublic information,’ e.g., the results of a drug trial, which create a specific catalyst for stock price action.”<sup>14</sup>

NYCRS and the Comptroller’s Office engaged with specific companies as well as supported proposed regulation introducing additional safeguards to protect against opportunistic use of 10b5-1 plans.

## Abbott Labs and McKesson: Enhancing 10b5-1 Plan Safeguards

NYCRS submitted shareholder proposals to curb opportunistic use of 10b5-1 plans at Abbott Laboratories and McKesson, two pharmaceutical companies whose top executives have a history of fortuitously timed stock sales.

Since January 2019, for example, Abbott executives adopted more than a dozen 10b5-1 plans where the first trade occurred within a month of plan adoption and the trade avoided a stock price decline in the ensuing 30 days. Former CEO Miles White adopted a plan on March 15, 2019 and sold \$47 million in stock the next day. Abbott’s share price fell more than 7 percent in the 30 days following the sale. In addition, former CFO Brian Yoor adopted a plan on January 27, 2020 and sold \$46 million in stock on the next day. Abbott’s share price fell 12 percent in the 30 days following the sale.

The proposal submitted to Abbott called for the board to adopt a policy requiring: a “cooling off period,” of at least 120 calendar days between plan adoption and the trading of company shares under the plan; Form 8-K disclosure whenever a Section 16 corporate officer or director adopts, modifies, or cancels a plan indicating the name of the affected individual; the number of shares covered; and the date of adoption, modification, or cancellation of a plan, among other requested disclosures. The proposed policy was consistent with the Recommendation to the SEC’s Investor Advisory Committee Regarding Rule 10b5-1 Plans.

In December 2021, less than one month after NYCRS submitted its proposal to Abbott, the SEC proposed rules designed “to address concerns about abuse of the rule to opportunistically trade securities on the basis of material nonpublic information in ways that harm investors and undermine the integrity of the securities market.”

The SEC’s proposed amendments included most of the safeguards and disclosures requested in NYCR’s shareholder proposal at Abbott, except for Form 8-K disclosure whenever a Section 16 corporate officer or director adopts, modifies, or cancels a plan. NYCRS’ negotiations with Abbott focused on securing a commitment for Form 8-K disclosure to complement the expected regulatory requirements. Discussions proved unproductive, and the proposal went to a vote. It received 49 percent of votes cast at the company’s 2022 annual meeting, demonstrating strong investor support for the additional safeguards and transparency contained in the SEC’s proposed amendments.

In February 2022, one month after the SEC proposed its amendments, NYCRS submitted a shareholder proposal to McKesson. McKesson’s former CEO, John Hammergren, avoided losing \$4.5 million by adopting a 10b5-1 plan on September 18, 2017, which allowed him to sell \$91 million in stock from September 22 to 29, the last six trading days of the third quarter. The company’s share price fell 5.5 percent on October 27, 2017, after it announced disappointing third quarter 2017 earnings.

NYCRS’ proposal at McKesson requested a policy to require Form 8-K disclosure of the name of the individual, the number of shares covered, and the date of adoption, modification, or cancellation of a 10b5-1 plan, whenever a Section 16 corporate officer or director adopts, modifies, or cancels such a plan. This proposal also received 49.5 percent of votes cast, thereby demonstrating strong investor support for Form 8-K disclosure.

## Regulatory Engagement on 10B5-1 Plans

The Comptroller’s office submitted two letters in support of the SEC’s proposed amendments to Rule 10b5-1. In the first letter, Comptroller Lander recommended that the SEC strengthen its proposed amendments to require: Form 8-K disclosure with the name of the individual, the number of shares covered, and the date of adoption, modification, or cancellation of a 10b5-1 plan, whenever a Section 16 corporate officer or director adopts, modifies, or cancels such a plan. This enhancement would improve the SEC’s ability to investigate and enforce violations of Rule 10b5-1. Moreover, it would provide valuable, decision-useful information to investors that should be disclosed promptly rather than remaining unavailable to them until the next quarterly report.

As the IAC highlighted: “[r]esearch conducted on the use of Rule 10b5-1 plans by insiders have consistently supported concerns that some plans are used to engage in opportunistic trading behavior that contravenes the intent behind the rule. *In particular, the timing of plan adoptions, modifications, and cancellations, appear to present a heightened risk of potential misuse.*”<sup>15</sup> (emphasis added)

As pointed out in the comment letter, SEC Chair Gensler has repeatedly—and rightfully—expressed concern over the ability of executives to cancel 10b5-1 plans while in possession of material information. Indeed, at the CFO Network Summit, Chair Gensler stated: “In my view, canceling a [10b5-1] plan may be as economically significant as carrying out an actual transaction. That’s because material nonpublic information might influence an insider’s decision to cancel an order to sell.”<sup>16</sup>

Just as the timing of a corporate insider’s purchase or sale of company equity may reveal an opportunistic use of a 10b5-1 plan and an insider’s expectations with respect to the company’s share price, the adoption, cancellation, or modification of a plan *may also signal* to the market insider expectations. Corporate insider transactions are material to investors and the marketplace. Academic studies show that investors act on the information contained in Form 4 filings *within seconds*.<sup>17</sup> For similar reasons, disclosure of 10b5-1 plan adoption, modification, or cancellation would be valuable to investors outside of the company. To promote the efficient operation of our capital markets, this information should not be known by companies and their executives, but not by investors.

Comptroller Lander submitted a second letter to inform the SEC that the Form 8-K disclosure recommended in his first comment letter enjoyed broad investor support, given that the shareholder proposal specifically requesting such disclosure received 49.5 percent of votes cast at McKesson’s 2022 annual meeting.

# Proxy Voting

During fiscal year 2022, the New York City Comptroller's Office voted on 16,426 shareholder meetings in 71 markets globally. This includes 3,280 annual and special meetings for U.S. companies. The following table provides an overview of the Systems' voting for the U.S. All meetings for which the Systems received ballots in this market were voted. Furthermore, out of this total, 2,372 meetings had at least one proposal on the meeting agenda that was voted against management, which accounts for 72 percent of the total number of meetings.

Summary of U.S. Meetings	
Votable Meetings	3280
Meetings Voted	3274
Proxy Contests Voted	22
Meetings with Against Management Votes	2372 (72% of total)

The Systems' company-specific global voting decisions are publicly disclosed on the Comptroller's website.

(<https://comptroller.nyc.gov/services/financial-matters/pension/corporate-governance/proxy-voting-dashboard/>). The site displays voting decisions 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.)

The following table provides a high-level overview of the Systems' fiscal 2022 proxy votes for the most common proposal categories for the U.S. market. The Systems voted in support of management for most routine business proposals, such as amending the bylaws of the company or changing the company name. The Systems voted against management on a majority of shareholder proposals, with shareholder proposals on executive compensation and those related to directors receiving the highest voting support.

**Table 3: Summary of Fiscal 2022 U.S. Proxy Votes by Proposal Category**

	Meetings	% Votes For	% Votes Against	% With Mgmt	% Against Mgmt
<b>Management Proposals:</b>					
Routine/Business (amending bylaws, changing company name, other business proposals, etc.)	3005	93.50%	5.89%	93.50%	5.89%
Director Related (elections of directors, declassifying the board, etc.)	3052	63.53%	13.10%	63.53%	36.31%
Capitalization (increase in authorized stock, approve issuance of shares, etc.)	155	61.67%	38.33%	61.67%	38.33%
Mergers	217	95.59%	3.08%	95.59%	3.08%
Compensation (say-on-pay, approving/amending stock plans, say-on-pay frequency, employee stock plans, etc.)	2680	58.60%	33.01%	65.55%	33.70%
Antitakeover Related (adjourn meetings, reduce supermajority vote requirements, provide right to call special meetings, etc.)	324	89.89%	8.20%	89.89%	8.20%
Amendment to Certification of Incorporation	8	0.00%	88.89%	0.00%	88.89%
<b>Shareholder Proposals:</b>					
Routine/Business (require independent board chair, amend bylaws, etc.):	48	76.00%	8.00%	10.00%	86.00%
Director Related (proxy access, provide right to call special meetings or to act by written consent, etc.):	177	51.62%	5.60%	16.52%	42.48%
Corp Governance (reduce supermajority vote requirement, approve one-share-one vote provisions, etc.):	44	88.64%	11.36%	22.73%	77.27%
Human Rights (conduct human rights assessments, racial equity and/or civil rights audits, etc.):	46	80.88%	11.76%	11.76%	86.76%
Executive Compensation (adopt policy on 10b5-1 trading plans, clawback of incentive payments, link pay to social criteria, report on pay disparities, etc.):	16	72.22%	27.78%	27.78%	72.22%
Disclosure of Mandatory Arbitration on Employment Related Claims:	1	100.00%	0.00%	0.00%	100.00%
Environmental (report on climate change, GHG emissions, or environmental policies, etc.)	62	83.15%	5.62%	12.36%	84.27%
Miscellaneous Disclosures: (on political contributions or lobbying, on labor disputes, EEO-1 reporting, etc.)	78	77.97%	18.64%	20.34%	77.12%

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# Endnotes

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<sup>1</sup> DiverseIQ, July 2022.

<sup>2</sup> “Diversity Wins: How Inclusion Matters,” McKinsey & Company, May 19, 2020, at <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

<sup>3</sup> <https://justcapital.com/news/companies-sharing-eeo-1-data-saw-higher-returns/>

<sup>4</sup> Johnson, Stefanie K. Hekman, David R. and Elsa T. Chan, “If There’s Only One Woman in Your Candidate Pool, There’s Statistically No Chance She’ll Be Hired,” Harvard Business Review, April 26, 2016; available at <https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>

<sup>5</sup> [https://www.wfmz.com/news/area/pennsylvania/pa-supreme-court-rules-amazon-must-pay-employees-for-the-time-they-spend-goingthrough/article\\_0ca4199c-ea80-11eb-a17f-8b1642f807cc.html](https://www.wfmz.com/news/area/pennsylvania/pa-supreme-court-rules-amazon-must-pay-employees-for-the-time-they-spend-goingthrough/article_0ca4199c-ea80-11eb-a17f-8b1642f807cc.html)

<sup>6</sup> <https://news.bloomberglaw.com/daily-labor-report/punching-in-amazon-organizers-target-a-potent-anti-union-weapon-28>; <https://www.nlr.gov/news-outreach/news-story/nlr-general-counsel-jennifer-abruzzo-issues-memo-on-captive-audience-and>.

<sup>7</sup> See <https://www.washingtonpost.com/business/2022/01/27/amazon-staten-island-nlr-complaint/> and <https://www.geekwire.com/2021/amazon-illegally-fired-labor-advocates-federal-board-rules/>. Amazon workers have filed numerous charges with the NLRB alleging labor law violations by Amazon. See Case Number 19-CA-266977. Amazon.com Services LLC. <https://www.nlr.gov/case/19-CA-266977>; Case Number 29-CA-260062. Amazon.com Services LLC. <https://www.nlr.gov/case/29-CA-260062>; Case Number 04-CA-261301. Amazon. <https://www.nlr.gov/case/04-CA-261301>; Case Number 29-CA-277198. Amazon.com Services Inc. <https://www.nlr.gov/case/29-CA-277198>; Case Number 29-CA-277598. Amazon.com Services, LLC. <https://www.nlr.gov/case/29-CA-277598>; Case Number 04-CA-258383. Amazon.com Services, LLC. <https://www.nlr.gov/case/04-CA-258383>; Case Number 28-CA-126028. Amazon.com.AZDC, LLC, a subsidiary of Amazon.com, Inc. <https://www.nlr.gov/case/28-CA-126028>.

<sup>8</sup> [https://www.ilo.org/actrav/events/WCMS\\_315488/lang--en/index.htm](https://www.ilo.org/actrav/events/WCMS_315488/lang--en/index.htm)

<sup>9</sup> <https://www.cbsnews.com/news/amazon-worker-deaths-rafael-reynaldo-mota-frias-osha-investigation-new-jersey/>

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<sup>10</sup> <https://www.nytimes.com/2014/04/25/business/in-florida-tomato-fields-a-penny-buys-progress.html>

<sup>11</sup> For purposes of climate-related shareholder proposals and engagements, NYCERS and “the Systems” refer to NYCERS, TRS and BERS.

<sup>12</sup> <https://www.edf.org/media/gm-and-edf-announce-recommended-principles-epa-emissions-standards-model-year-2027-and-beyond>.

<sup>13</sup> [https://www2.deloitte.com/content/dam/insights/us/articles/6849\\_Utility-decarbonizationstrategies/DI\\_Utility-decarbonization-strategies.pdf](https://www2.deloitte.com/content/dam/insights/us/articles/6849_Utility-decarbonizationstrategies/DI_Utility-decarbonization-strategies.pdf)

<sup>14</sup> Grant’s Interest Rate Observer, March 19, 2021

<sup>15</sup> Recommendation of the Investor Advisory Committee. Available at <https://www.sec.gov/spotlight/investor-advisory-committee-2012/20210916-10b5-1-recommendation.pdf>

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<sup>16</sup> <https://www.sec.gov/news/speech/gensler-cfo-network-2021-06-07>

<sup>17</sup> See Rogers, J. L., Skinner, and S.L.C.Zechman (2017). Run EDGAR Run: SEC Dissemination in a High-Frequency World. *Journal of Accounting Research* 55(2), 459-505; [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2513350](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2513350); Rogers, J. L., Skinner, and S.L.C.Zechman (2016), The Role of the Media in Disseminating Insider Trading News. *Review of Accounting Studies* 21(3), 7110739, [https://accountancy.smu.edu.sg/sites/default/files/accountancy/pdf/Papers/jonathanrogers\\_paper2.pdf](https://accountancy.smu.edu.sg/sites/default/files/accountancy/pdf/Papers/jonathanrogers_paper2.pdf)





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