

Shareholder Engagement—Success Stories



Wespath has been recognized as a global leader in sustainable investment, receiving an “A+” grade for overall strategy and governance from the United National Principles for Responsible Investment. Engagement is a core tenet of Wespath’s sustainable investment activities. It is an opportunity to enter into constructive dialogue with companies and policy-makers on environmental, social and governance (ESG) issues that we believe improve shareholder value, while having a positive impact on the world around us. The following success stories are the results of engagement in action!

¹ <https://www.oxy.com/SocialResponsibility/>
<https://www.chevron.com/corporate-responsibility/climate-change>
² <http://www.climateaction100.org/>
³ *CS Gender 3000*, Credit Suisse Research, Sept. 2016.
⁴ <http://www.30percentcoalition.org/>

Environmental



Wespath has engaged companies on climate issues for over two decades. Most recently, we encouraged **Chevron** and **Occidental Petroleum** to evaluate the global shift to a low-carbon future. After multi-year engagements, both published their first-ever climate risk reports. Chevron also created emissions reductions targets and linked those targets to its executive bonus structure.¹



We magnify the shareholder voice by partnering with other likeminded investors. Through groups like **ClimateAction100+** and the **Net-Zero Asset Owner Alliance**, we engage companies, policymakers and asset managers on key climate-related issues. ClimateAction100+ efforts have led to increased support from oil and gas majors for the Paris Climate Agreement, while the Net-Zero Asset Owner Alliance is actively raising awareness of its focus among the asset owner community.

Social



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



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

Governance



We have long felt, and the research demonstrates³, that diverse boards result in better performance. Wespath holds membership in the **30% Coalition**, which advocates for gender diversity in the board room. Since 2012, more than 180 companies have added women to their boards through the Coalition’s efforts.⁴



The coronavirus pandemic quickly became a focus of our engagement activities in 2020. We joined a group of global institutional investors in signing an Investor Statement on Coronavirus Response. The statement calls on members of the business community to take action to support the welfare of their stakeholders, including their employees, suppliers, customers and the communities in which they operate. We also encouraged our investment manager partners to sign the Investor Statement and align their investment activities accordingly.