NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

NEW YORK CITY PENSION FUNDS

2017 Shareowner Initiatives

POSTSEASON REPORT

1 Centre Street, New York, NY 10007 • (212) 669-3500 • www.comptroller.nyc.gov • @NYCComptroller

Contents

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 NYC Funds"), is responsible for voting the funds' domestic proxies and developing and implementing the funds' shareowner initiatives. The NYC Funds 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 NYC Funds' 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 NYC Funds' 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.

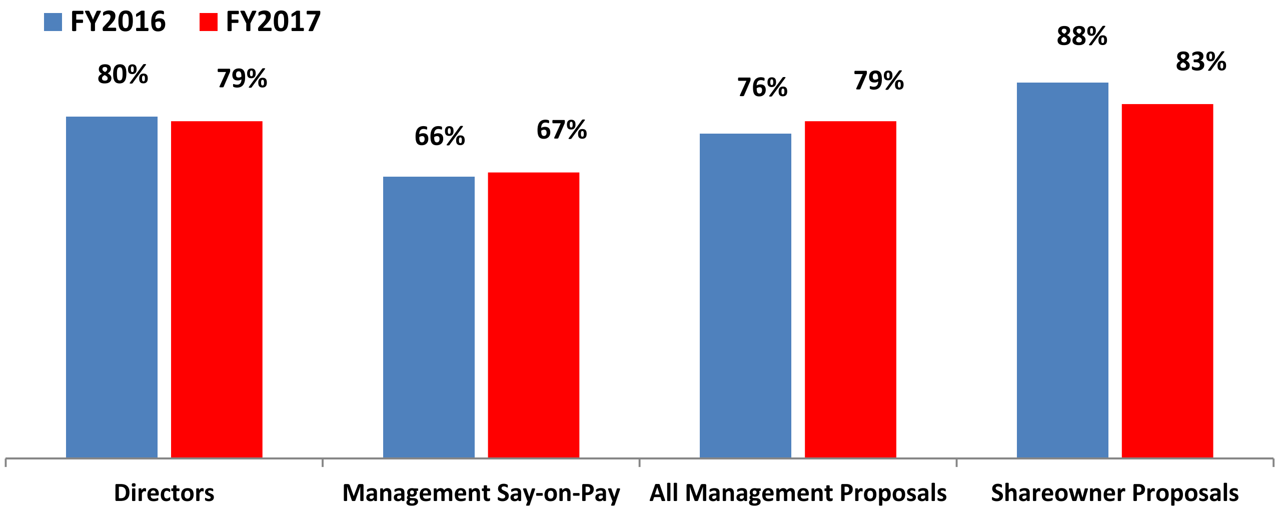
This Report, which is prepared by the Comptroller's Office and reviewed at the fall Proxy Committee of each system, serves as the annual Proxy Committee Postseason Report ("Postseason Report") to each system's Board of Trustees. The Report covers proxy voting outcomes for the 12 months ending June 30, 2017, consistent with the fiscal year reporting period used by the five New York City pension funds and by the City of New York. Because most U.S. companies hold their annual meetings during the spring, June 30th 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 30th. 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 and before the fall meetings of the Proxy Committees.

PROXY VOTING

For the 12 months ending June 30, 2017, which corresponds to the City's fiscal year, the Comptroller's Office voted on 32,456 individual ballot items at 3,846 annual and special meetings for U.S. portfolio companies (and some non-U.S. companies listed on U.S. stock exchanges). Major proxy voting issues included: (a) the election of directors; (b) management proposals to ratify auditors and approve executive compensation, changes in corporate governance and mergers and acquisitions; and (c) shareowner proposals on a wide range of environmental, social and governance (ESG) policies and practices.

Average Voting Support by Category[1]



[1]Support for Shareowner Proposals in 2016 revised to 88% from 90% reported in 2016 Postseason Report

Of all votes cast, 77.6 percent were for the management-recommended vote (vs. 77.7 percent in Fiscal 2016). In addition, the NYC Funds voted for most shareowner proposals, which are opposed by management in nearly all cases (see above chart). During Fiscal 2017, these included, but were not limited to, shareowner proposals calling on companies to strengthen board of director diversity, independence and accountability; align executive pay with long-term performance; disclose corporate political and lobbying spending; and assess the impact on carbon assets of policies to limit global warming consistent with the goals established in the Paris Agreement.

Additionally, during 2017 the Comptroller's Office transitioned to a new proxy voting platform with enhanced capabilities, including extensive vote analytics and reporting tools. Once fully implemented, these tools will provide for more robust reporting to staff and trustees; facilitate web-based proxy vote disclosure to the public, including graphical displays of aggregate votes by various categories, such as by sector and geographic market; and enable the Comptroller's Office to assume and centralize voting responsibility for the NYC Funds' entire global public equity portfolio of approximately 10,500 companies (at present, the Comptroller's Office casts votes mainly at the nearly 3,500 U.S. companies in the portfolio).

SHAREOWNER INITIATIVES

In addition to proxy voting, the NYC Funds also seek to protect and create long-term shareowner value by proactively advancing company-specific and regulatory reforms to strengthen investor rights, improve corporate governance, align executive pay with long-term performance and promote sustainable business practices.

The NYC Funds engage with portfolio companies through letters and dialogue, often in collaboration with other institutional investors, and are among the most active institutional investors in terms of filing shareowner proposals. The NYC Funds will generally withdraw proposals at companies that agree to implement the requested reform. Absent a negotiated withdrawal, proposals are subject to a vote of all shareowners at the companies' annual shareowner meetings.

Finally, in select instances of particular concern, the NYC Funds may publicly oppose the election of problem directors or other management-initiated proposals, such as "say-on-pay proposals," including by leading "vote no" campaigns or publicly supporting "vote no" efforts led by other shareowners.

2017 Shareowner Initiatives Highlights

The NYC Funds submitted 92 shareowner proposals to a total of 88 companies for the 2017 proxy season. Overall, approximately two-thirds of the proposals (60 of 92) were withdrawn after the companies agreed to take steps to implement the request. In a continuation of the Boardroom Accountability Project launched in fall 2014, most of the proposals (71 out of 92) requested a "proxy access" bylaw to require the company to include shareowner-nominated director candidates in the company proxy materials and on the company ballot.

Proxy access focus companies once again included those with inadequate board diversity, excessive CEO pay, or exposure to risks related to climate change. They also included, for the first time, companies that lacked gender or racial diversity among their top five executives and energy-intensive companies that failed to disclose their greenhouse gas emissions, the latter being a red flag for inadequate board oversight of climate change risks.

In addition, the NYC Funds submitted shareowner proposals for the first time requesting that companies report to shareowners on their policies and practices to ensure gender pay equity, as well as proposals requesting that companies (a) disclose data on the race and gender of their workforce by job category; (b) publish an annual assessment of the long-term impacts of climate change under a scenario consistent with the globally agreed upon 2-degree target defined in the Paris Agreement; and (c) disclose their direct and indirect political spending.

Among the most significant shareowner proposal outcomes:

- Fifty-one 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. Responsive companies included **Consolidated Edison**, **Marsh & McLennan**, **Texas Instruments** and **Urban Outfitters**, among others.

- Support for the 16 proxy access proposals that went to a vote averaged 68 percent, with 14 proposals receiving majority support, including at **Charles Schwab**, **Humana**, **IBM** and, for the third consecutive year, **Netflix**.

- In total, **more than 440 U.S. companies of various sizes and across industries have now enacted meaningful proxy access** – 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. Nearly one-third of these companies took action in response to a shareowner proposal from the NYC Funds.

- Significantly, 27 of the 51 companies that received proxy access proposals over the past three years due to inadequate board diversity have added a total of 43 directors who are women and/or minorities.

- In response to the initiative on gender pay equity, seven major healthcare and insurance companies – including **AIG**, **Prudential Financial** and **UnitedHealth** – agreed to provide enhanced disclosure. Responsive companies generally made the case that their analyses showed no significant gender pay gap. Some also revealed no gap based on race and ethnicity.

- In a series of watershed victories for shareowners, proposals co-filed by the NYC Funds, requesting that **Exxon Mobil** and **Occidental Petroleum** disclose climate change risks, received 62 percent and 67 percent support, respectively. A similar proposal co-filed by the NYC Funds was withdrawn at **Chevron** after the company agreed to enhance its reporting on how it is managing climate change risks.

In addition to submitting shareowner proposals, the NYC Funds led two "vote no" campaigns:

- At **NRG Energy**, the NYC Funds opposed the election of a director who had recently joined the Board in a hasty and deeply-flawed settlement with an activist hedge fund that has a record of seeking board representation as a tactic to push for the break-up of a company. In a letter to NRG shareowners, the NYC Funds warned that the hedge fund's short-term orientation and commonly deployed strategy to seek further cost cuts and asset sales are on a collision course with NRG's strategy to maximize long-term shareowner value, which is predicated on managing risks and pursuing market opportunities created by the transition to a low-carbon economy. Given this strategy, the NYC Funds raised additional concerns regarding the director's qualifications given his stated view that climate change is a "hoax."

- At **Mylan**, the NYC Funds – joined by CalSTRS, the New York State Comptroller and Dutch pension fund PGGM – led a "vote no" campaign against the advisory vote on executive pay and the election of Mylan's Chairman and five other directors at the company's 2017 annual meeting. In a letter to Mylan shareowners, the investors detailed the new lows in corporate stewardship that Mylan's board reached in 2016, when it paid Chairman and CEO Robert Coury $97.6 million amid a public and regulatory backlash for the price-hiking controversy involving Mylan's EpiPen. In a stinging rebuke to the board, Mylan shareowners subsequently cast an extraordinary 83.5 percent of their votes cast against executive pay and majority or near majority votes (from 29 to 56 percent) against the six directors.

Among other noteworthy initiatives detailed in this Report:

- The NYC Funds continued to press for new leadership and directors on the board of scandal-plagued **Wells Fargo**, to advocate for enhanced reporting of portfolio companies' **supplier diversity** programs, and to identify and encourage **human capital management best practices**.

- NYCERS, TRS and BERS sought to engage independent directors at **Wal-Mart** and **Kroger** regarding the significant financial and reputational risks associated with the retail sale of firearms at their stores.

- TRS, NYCERS, FIRE and BERS joined a coalition of investors that called on the banks financing the **Dakota Access Pipeline (DAPL)** to address or support the Standing Rock Sioux Tribe's request to reroute the pipeline and avoid their treaty territory. The Comptroller subsequently convened a briefing for global investors, during which the Chairman of the Standing Rock Sioux Tribe, Dave Archambault II, discussed the risks posed by construction of the pipeline on and around tribal treaty land.

Finally, over the past year, the Comptroller signed or co-signed investor letters and statements in connection with **proposed legislative and regulatory reforms and rollbacks**, consistent with the policies and long-term interests of the NYC Funds. As detailed on pages 22 to 26, these generally involved investor efforts to **address climate change**, **defend investor rights** against mounting attacks, and **oppose discriminatory state "Bathroom" bills** that seek to deliberately limit the human rights of LGBT people.

2017 Shareowner Proposals

The following is a more detailed description of individual shareowner proposal issues and 2017 outcomes. In addition, see page 23 for a complete list of the NYC Funds' 2017 focus companies and shareowner proposals, including the proposal outcomes.

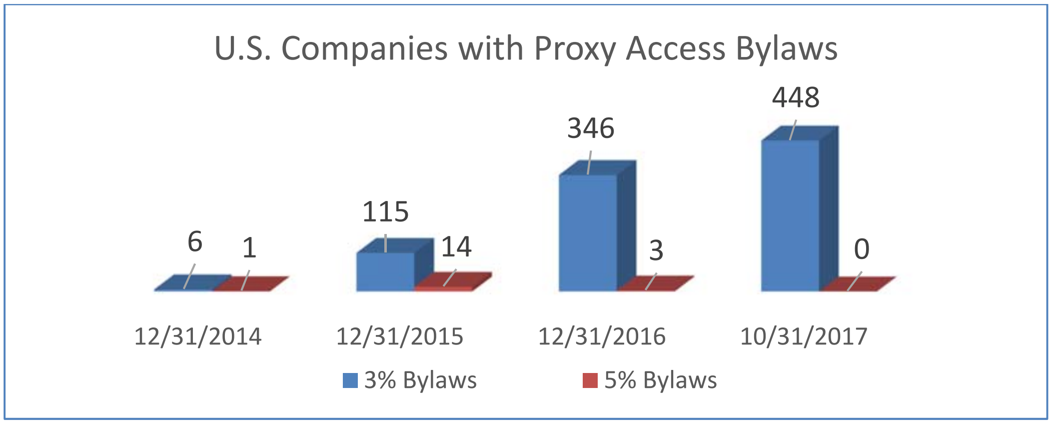
THE BOARDROOM ACCOUNTABILITY PROJECT/PROXY ACCESS

In a continuation of the Boardroom Accountability Project launched in fall 2014, the NYC Funds submitted proposals requesting proxy access to 71 companies for the 2017 proxy season. (See the NYC Funds' 2015 Postseason Report for a description of the Boardroom Accountability and the critical role that proxy access can play in creating sustainable shareowner value by helping to ensure that boards are diverse, climate competent, independent and accountable.)

The proposals specifically requested a bylaw permitting shareowners that have collectively held three percent of the company for at least three years to nominate up to 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 the methodologies used for 2015 and 2016, focus companies included those that awarded excessive executive compensation, companies with little or no apparent gender or racial diversity on their board, and carbon-intensive energy companies that are among the most vulnerable to long-term business risks related to climate change. In an expansion of the diversity and climate risk focus areas, they also included, for the first time, companies that lacked gender or racial diversity among their top five executives and companies that failed to disclose their greenhouse gas emissions, the latter being a red flag for a board that is not sufficiently focused on overseeing and disclosing risks related to climate change.

In response to the proposals, 51 companies enacted, or took steps necessary to enact, a meaningful proxy access bylaw with terms substantially similar to those requested by the shareowner proposal. Responsive companies included **Consolidated Edison**, **Eversource Energy**, **Marsh & McLennan Companies** and **Texas Instruments**, among others. The high settlement rate (72 percent), which matched last year's impressive settlement rate, stands in stark contrast to 2015, when the NYC Funds' withdrew only six of 75 proxy access proposals (8 percent).



In total, more than 440 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. Nearly one-third of these companies took action in response to a shareowner proposal from the NYC Funds.

Significantly, in response to efforts by the NYC Funds and other investors, all of the 15 companies that had enacted bylaws requiring five percent ownership have now either lowered the ownership requirement to three percent or been acquired.

Support for the 17 proposals that went to a vote averaged 68 percent, with 14 proposals receiving majority support, including first-time proposals at **Charles Schwab** (61 percent), **Humana** (76 percent), and **International Business Machines** (59 percent). The proposal received the strongest support (98 percent) at **National Oilwell Varco**, whose board did not oppose the proposal.

Significantly, many companies that have received the NYC Funds' proxy access proposals over the past three years due to inadequate board diversity have subsequently named at least one woman and/or minority director to their boards. Over the past year, these included **AbbVie**, **Cerner Corporation**, **Cimarex Energy**, **Equifax**, **Express Scripts**, **Fleetcor Technologies**, **Global Payments**, **Intercontinental Exchange**, **Marsh & McLennan, Nabors Industries, Textron**, **Union Pacific** and **W.W. Grainger**. In total, 27 of the 51 companies that received proxy access proposals over the past three years due to inadequate board diversity have added a total of 43 directors who are women and/or minorities subsequent to receiving the proposal.

Finally, the Comptroller's Office continued to collaborate with various institutional investors and investor groups to extend proxy access across the U.S. market on a consistent basis, including working closely with both CalPERS and the Council of Institutional Investors (CII). Specifically, the NYC Funds once again partnered with CalPERS to conduct joint solicitations in support of the proposals, which involved sending letters to each company's shareowners urging them to vote for the proposal (the letters are also filed with the SEC and available on the SEC's Edgar filing system) and conducting follow-up outreach.

Additionally, in light of its extensive experience negotiating proxy access bylaws, the Comptroller's Office worked closely with CII on its "Proxy Access: Best Practices 2017" report released in July 2017. The CII report highlights troublesome provisions in some proxy access bylaws that are of concern to CII, as well as many of its members, and urges companies to avoid onerous requirements that make proxy access difficult or nearly impossible to use. The report serves as an update to CII's 2015 "Proxy Access: Best Practices" report, which was also prepared with the assistance of the Comptroller's Office.

See below table for a comprehensive list of 2017 proxy access focus companies and proposal outcomes. In addition, see pages 26-27 for a cumulative list of proxy access outcomes for all of the NYC Funds' focus companies since the fall 2014 launch of the Boardroom Accountability Project.

PROXY ACCESS PROPOSAL OUTCOMES

	------------ Screening Criteria			------------	----- Vote Result -----	
Company	Diversity	Climate	Pay	Other	2016	2017
Abercrombie & Fitch, Co.				X	--	82.3%
ACI Worldwide, Inc.			X		--	Settled
Albemarle Corporation	X				--	Settled
AMETEK, Inc.		X			--	Settled
Baker Hughes Incorporated		X			--	Settled
BB&T Corporation			X		--	Settled
C. R. Bard, Inc.	X				--	Settled
CenterPoint Energy, Inc.		X			--	Settled
Consolidated Edison, Inc.		X			--	Settled
Crown Castle International Corporation	X				--	86.6%
DENTSPLY Sirona Inc.	X				--	Settled
Diebold, Incorporated			X		--	Settled
Dollar General Corporation		X			--	Settled
Dollar Tree, Inc.	X	X			--	Settled
E. I. du Pont de Nemours and Company	X		X		--	Settled
Entergy Corporation		X			--	Settled
Equifax Inc.	X				--	Settled
Eversource Energy		X			--	Settled
Fidelity National Information Services, Inc.	X				--	Settled
FMC Corporation			X		--	Settled
FMC Technologies, Inc.		X			--	Settled
GameStop Corp.		X			--	Settled
Global Payments Inc.	X				--	Settled
Hospitality Properties Trust			X		--	84.8%
Humana, Inc.	X				--	76.3%
International Business Machines Corporation				X	--	59.4%
Kilroy Realty Corporation					--	Settled
Kinder Morgan, Inc.		X			--	58.6%
Leggett & Platt, Incorporated		X			--	Settled
Leucadia National Corporation	X				--	Settled
LKQ Corporation	X				--	Settled
Marsh & McLennan Companies, Inc.	X				--	Settled
Martin Marietta Materials, Inc.		X			--	72.5%
Minerals Technologies, Inc.			X		--	87.5%
Monster Beverage Inc.	X				43.4%	40.7%
Nabors Industries Ltd	X		X		60.4%	54.1%

	------------ Screening Criteria		------------		----- Vote Result -----	
Company	Diversity	Climate	Pay	Other	2016	2017
National Oilwell Varco, Inc.	X				--	98.4%
NetApp, Inc.	X				--	92.3%
Netflix,Inc.					71.8%	66.8%
NeuStar, Inc.			X		--	Settled
New York Community Bancorp, Inc.			X		--	Settled
Newfield Exploration Company		X			--	Settled
NRG Energy, Inc.		X			--	Settled
ONEOK, Inc.		X			--	Settled
O'Reilly Automotive, Inc.	X				--	Settled
Paccar Inc.	X				45.2%	49.6%
Phillips 66		X			--	Settled
Pinnacle West Capital Corporation	X	X			--	Settled
PulteGroup, Inc.		X			--	Settled
Ross Stores, Inc.		X			--	Settled
SBA Communications Corporation	X				--	Settled
SCANA Corporation		X			--	Settled
Sealed Air Corporation	X				--	Settled
Senior Housing Properties Trust			X		--	78.7%
Skyworks Solutions, Inc.		X			--	Settled
Sprouts Farmers Market, Inc.			X		--	Settled
Texas Instruments Incorporated	X				--	Settled
Textron Inc.	X				--	Settled
The Charles Schwab Corporation				X	--	61.33%
The Ultimate Software Group, Inc.			X		--	Settled
The Williams Companies, Inc.		X			--	Settled
Tractor Supply Company		X			--	Settled
Universal Health Services[1]	X				8.9%	8.30%
Urban Outfitters, Inc.	X				--	Settled
Ventas, Inc.			X		--	Settled
VeriFone Systems, Inc.			X		--	Settled
Vornado Realty Trust		X			--	Settled
W.W. Grainger, Inc.	X				--	Settled
Waters Corporation			X		--	89.40%
WebMD Health Corp.			X		--	Settled
Xilinx, Inc.	X				--	Settled

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

PROMOTING GENDER PAY EQUITY

In response to a new initiative launched in 2017, seven of 10 major healthcare and insurance companies targeted by the NYC Funds agreed to disclose information on how they address gender pay equity. Nationwide, women earn about 80.5 cents for every dollar earned by men. Further, a study by Glassdoor of over 500,000 self-reported salary data points showed that, of 25 industries studied, the healthcare and insurance industries have the largest unexplained gender pay gap after controlling for geography, age, education, and years of experience.

GENDER PAY EQUITY PROPOSAL OUTCOMES

Company	2017
Aetna, Inc.	16.6%
Aflac Incorporated	Settled
American International Group, Inc.	Settled
Anthem, Inc.	Settled
Express Scripts Holding Company	7.2%
McKesson Corporation	Settled
Prudential Financial	Settled[1]
The Allstate Corporation	Settled
The Travelers Companies, Inc.	18.3%
UnitedHealth Group Incorporated	Settled

[1]Agreement reached prior to submission of shareowner proposal.

For investors, pay equity is important to help ensure that companies are able to attract and retain talent. There is also mounting government pressure to ensure pay equity. While President Trump revoked the Fair Pay and Safe Workplaces Order that pressed federal contractors to promote pay equity and scrapped the U.S. Equal Employment Opportunity Commission plan to require companies to include pay data in their EEO-1 reports filed with the U.S. government, Massachusetts and New York City are examples of state and local governments that recently enacted pay equity laws barring employers from asking for a job candidate's wage history.

Accordingly, the NYC Funds submitted proposals requesting that companies disclose whether they have a gender pay gap and, if so, to outline the steps they are taking to address the gap and provide opportunities for the advancement of women. Responsive companies generally made the case that their analyses showed no significant gender pay gap, and that they have policies and programs to addresses such a gap, if one is found. Some also revealed no gap based on race and ethnicity.

Prudential Financial, for example, disclosed in its 2017 proxy statement that it has no significant pay gap and outlined its processes to uncover and address any gaps; the agreement was reached prior to the filing of a shareowner proposal and helped set the tone for subsequent engagements. Additionally, **Aflac** now discloses its female/male salary ratio and its pay equity review process in its annual sustainability report; **AIG** and **McKesson** provide information on their gender pay review processes on their websites (McKesson plans to do a more thorough analysis at a later date as its workforce is in flux due to ongoing transactions); **Allstate** will include a discussion in its diversity report; and **Anthem** and **UnitedHealth** agreed to conduct additional pay gap analyses (Anthem has since disclosed its findings on its website).

Express Scripts and **Travelers** each took steps to enhance their gender pay equity disclosures on their websites, but neither provided sufficient information to warrant withdrawal of the proposal. **Aetna** was the only company that failed to even engage with the NYC Funds. The relatively low votes on the three proposals that went to a vote suggest the need for additional investor outreach.

INCREASING DISCLOSURE OF EMPLOYEE DIVERSITY

EEO-1 DISCLOSURE PROPOSAL OUTCOMES

Company	2015	2016	2017
Gilead Sciences, Inc.	--	--	Settled
Juniper Networks, Inc.	--	--	25.1%
LAM Research	--	--	43.4%
NetApp, Inc.	--	--	28.1%
The Charles Schwab Corporation	21.1%	24.3%	25.9%

The NYC Funds shifted their focus on workplace diversity to the technology sector for 2017, following several years of successfully urging leading financial services and advertising companies to provide annual disclosure of workforce diversity data based on the EEO-1 reports that companies are required to file with the Equal Employment Opportunity Commission (EEOC). The EEO-1 report data – which detail the composition of the company's workforce by race and gender across employment categories, including senior management – provide investors with standardized information to benchmark the effectiveness of companies' diversity policies.

Similar to financial services and advertising, the technology sector is characterized by the persistent and pervasive underrepresentation of minorities and women, particularly in senior positions. Based on 2014 EEO-1 filings, the EEOC Commission estimated that high tech has the lowest representation of Black, Hispanic, and women employees at the executive, managerial and professional levels. While many tech companies have recently taken steps to improve disclosure of diversity data, the disclosure is often incomplete.

Following engagement on the NYC Funds' shareowner proposals, **Gilead Sciences** agreed to provide more comprehensive EEO-1 data than the diversity data it was previously disclosing and **NetApp** began disclosing limited diversity information, although its disclosures were insufficient to warrant withdrawal of the proposal.

Charles Schwab, a financial company, continues to be unresponsive to the proposal after its fourth filing, arguing it would be divulging private information, despite the fact that many companies – including many of the largest financial services firms – now disclose their EEO-1 data. Support for the proposal at Charles Schwab has steadily increased from 20 percent in 2014 to 26 percent in 2017.

ENHANCING CLIMATE CHANGE RISK REPORTING AT MAJOR OIL COMPANIES

In a highly successful campaign to increase support for critical climate change risk reporting proposals, the NYC Funds joined with global investor coalitions with as much as $1 trillion in assets to co-file the proposals at the three largest U.S. oil and gas companies. The proposals specifically asked each company to publish an annual assessment of the long-term impacts of technological advances and climate policies on its full portfolio of reserves and resources, including a portfolio resilience assessment that considers a low demand scenario consistent with limiting global warming to two degrees Celsius, the globally agreed target in the Paris Agreement.

While U.S. energy companies have largely resisted investor demands for scenario analyses, there is mounting consensus among experts regarding the importance of scenario analysis as a key tool for addressing climate risk. Of particular significance, the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD) recently endorsed 2-degree scenario analysis in its recommendations.

CLIMATE RISK REPORTING PROPOSAL OUTCOMES

Company	2016	2017
Chevron Corporation	40.8%	Settled
Exxon Mobil Corporation	38.1%	62.1%
Occidental Petroleum Corporation	49.0%	67.3%

Note: the NYC Funds publicly supported, but did not co-file the proposals in 2016.

The proposal was withdrawn at **Chevron** after the company agreed to enhance its reporting on how it is managing climate change risks; the proponents, led by Wespath Investment Management and Hermes Investment Management, recommended a number of ways in which the company could continue to strengthen its disclosures and committed to monitor the company's progress.

In what were widely viewed as watershed victories, the proposals received strong majority support at both **Exxon Mobil** (62 percent) and **Occidental Petroleum** (67 percent). (The New York State Comptroller and Church of England acted as lead filers at the former, and the Nathan Cummings Foundation and Wespath Investment Management served as lead filers at the latter.) The votes increased dramatically from 2016 and represented two of the three first-time, majority-supported climate proposals in 2017 (PPL Corporation was the third). The surge in support reflects the fact that several of the largest asset managers, including Blackrock, Fidelity, and Vanguard, supported some climate proposals this year for the first time.

ADVOCATING FOR DISCLOSURE OF CORPORATE POLITICAL SPENDING

CORPORATE POLITICAL DISCLOSURE PROPOSAL OUTCOMES

Company	2016	2017
Alliant Energy Corporation	--	38.6%
Great Plains Energy	--	24.8%
NRG Energy, Inc.	49.4%	30.8%

In 2017, the NYC Funds submitted proposals to three coal-intensive utilities requesting disclosure of all direct and indirect (*e.g.*, through trade associations) political spending. Board oversight and disclosure of corporate assets used for political purposes helps mitigate the legal and regulatory risks that accompany any political contributions and enables investors to assess whether corporate political spending is aligned with the company's business strategy and consistent with the long-term interests of the company and its shareowners.

Robust disclosure of corporate political spending is particularly important in highly-regulated industries, such as electric utilities, where a company's license to operate relies upon policymakers and government entities. Additionally, for coal-intensive utilities, disclosure of corporate political spending is a hallmark of a climate competent board, as the disclosures can provide a window into a company's posture toward proposed legislation and regulation to address climate change. While companies overly focused on short-term results and maintaining their existing business models may oppose such reforms, those focused on creating long-term shareowner value are increasingly shifting their business plans to address the risks and seek market opportunities related to climate change.

The proposal received the strongest support (39 percent) at **Alliant Energy.** There was significant decline in support at **NRG Energy**, which could reflect turnover in the company's investor base prompted by hedge fund activism at the company (see p. 16).

ELIMINATING HUMAN RIGHTS ABUSES IN THE SEAFOOD SUPPLY CHAIN

In February 2016, the NYC Funds wrote to six companies that reportedly sourced shrimp from Thailand following news reports regarding the use of forced labor in Thailand's shrimp industry (see 2016 Postseason Report). **Kroger**, **Walmart** and **Sysco** subsequently disclosed steps they are taking to address these concerns, including working with industry partners such as the Seafood Task Force or the World Wildlife Fund to trace the shrimp supply chain; setting goals to use more certified sustainable products; and working with relevant governments. **Costco** also disclosed steps it is taking and committed to provide additional disclosure in its 2016 sustainability report, which has not yet been released. **Whole Foods**, which publicly claimed it does not source shrimp from any of the implicated suppliers, has since been acquired by Amazon, while **Dollar General** was unresponsive.

In fall 2016, the NYC Funds filed a proposal at Dollar General seeking enhanced seafood supply chain disclosures. Specifically, the proposal requested that Dollar General (1) establish time-bound quantitative goals toward a seafood supply chain free of both human rights violations and illegal, unreported and unregulated fishing and (2) provide for annual disclosure of key performance indicators to allow the board and shareowners to monitor progress towards these goals.

SUSTAINABLE SEAFOOD PROPOSAL OUTCOME

Company	2017
Dollar General Corporation	Settled

In response to the proposal, Dollar General made the case that the request was unnecessary because seafood accounts for only 1/600th of one percent of its revenues. The NYC Funds subsequently withdrew the proposal after the company agreed to schedule a broader discussion around sustainability reporting and include an independent director. That discussion occurred in July 2017 and focused on board oversight and disclosure of human capital management practices (at both the company and its suppliers), product sourcing and packaging, greenhouse gas emissions, and board diversity, among other issues.

Other 2017 Shareowner Initiatives

OPPOSING SHORT-TERM ACTIVIST'S CAMPAIGN TO BREAK-UP NRG ENERGY

In early 2017, Elliott Management Corporation ("Elliott") and its partner Bluescape Energy Partners disclosed a nearly 10 percent combined ownership stake in **NRG Energy**. Elliott is an activist hedge fund that has a record of seeking board representation in order to press for the break-up or sale of a company. In a hasty and deeply flawed settlement, NRG agreed to appoint two Elliott-nominated directors to its board.

In response, the NYC Funds led a "vote no" campaign against the election of one of the two Elliott directors, director Barry Smitherman, at the company's spring 2017 annual meeting. In a letter to NRG shareowners, the NYC Funds made the case that Elliott's short-term orientation was on a collision course with NRG's strategy to maximize long-term shareowner value, which is predicated on managing climate-related risks while concurrently pursuing market opportunities created by the transition to a low-carbon economy. Consistent with this strategy, which appeared to be on track and delivering strong results, NRG established the goal of cutting its greenhouse gas emissions by 50% by 2030 and 90% by 2050.

The NYC Funds raised additional concerns regarding Mr. Smitherman's stated views that climate change is a "hoax," taking the position that they should disqualify him to serve as a director of a company that discloses climate change as a material risk and a key driver of its long-term business strategy. While the NYC Funds encourage boards to include diverse skills, experience and perspectives, directors' diverse perspectives can only foster better board decision-making if they are rooted in a shared understanding of relevant facts and science.

While the vote no campaign prompted many of NRG's largest shareowners to engage the company regarding the director election, the relatively low vote (7.5 percent) against Mr. Smitherman proved insufficient to derail Elliott's strategy. NRG's board subsequently approved a Transformation Plan that calls for the sale of its renewable energy business, which will make it more challenging to deliver on the company's aggressive carbon reduction goals in a way that maximizes long-term value for shareowners. The Comptroller's Office remains committed to continuing to engage the NRG board on its composition and a sustainable business strategy, as well as on the disclosure of its direct and indirect political spending (see p. 12).

CHALLENGING EXCESSIVE CEO PAY, FAILED RISK OVERSIGHT AT MYLAN

The NYC Funds led a "vote no" campaign against **Mylan NV**'s advisory vote on executive compensation and the election of their Chairman and five other long-tenured directors on the board's Compensation, Governance & Nominating, and/or Compliance Committees at the company's 2017 annual meeting. The NYC Funds partnered with CalSTRS, the New York State Comptroller and Dutch pension fund PGGM on the initiative.

In a letter to Mylan shareowners, the investors set forth a detailed indictment of the new lows in corporate stewardship that Mylan's board reached in 2016, when it paid Chairman and CEO Robert Coury $97.6 million. The egregious payout came amid a public and regulatory backlash for the price-hiking controversy involving Mylan's EpiPen, which surfaced in 2016. As a result, Mylan suffered significant reputational and financial harm, has been the subject of multiple federal and state investigations, as well as civil litigation; and paid $465 million to settle U.S. Justice Department allegations that it overcharged the government over five years for its EpiPen.

The investors' "vote no" letter expressed serious concerns with the board's oversight, independence and accountability, concerns which the NYC Funds had repeatedly attempted to address since 2012. In a stinging rebuke of Mylan's board at the company's 2017 annual meeting, Mylan shareowners cast an extraordinary 83.5 percent of their votes cast against executive pay, a majority vote against the Chair of the board's Compensation

Committee (although through a quirk of Dutch law, of which Mylan had taken advantage, he was re-elected anyway); and very high votes, ranging from 25 percent to 50 percent, against the nine other incumbent directors.

Immediately following the release of the vote results, the NYC Funds – joined by CalSTRS and the New York State Comptroller – sent a strongly-worded letter calling on Mylan's independent directors to finally engage these funds directly and take a number of steps to restore investor confidence, including reconstituting the board and its leadership, and enhancing the board's independent oversight of executive compensation and drug pricing strategy and risk.

CALLING FOR NEW CHAIRMAN AND BOARD AT SCANDAL-PLAGUED WELLS FARGO

In response to revelations that **Wells Fargo** may have harmed approximately 570,000 of its retail customers by allegedly charging them for auto loan insurance that they had neither requested nor needed, the Comptroller, in a July 2017 letter, called on the independent members of the board to immediately replace its independent Chairman and to take additional steps to try to restore customer, investor and regulatory confidence in the company and its board of directors. The following month the board announced that director Betsy Duke would succeed Steve Sanger as Independent Chair, effective January 1, 2018, and that three directors, including Mr. Sanger, would retire at year-end, among other changes.

The auto loan insurance revelations came less than a year after Wells Fargo agreed to pay $185 million to settle federal and local charges of customer fraud, having secretly opened hundreds of thousands of unauthorized deposit accounts and tens of thousands of credit card accounts without customers' knowledge or consent. The unauthorized account scandal prompted the NYC Funds to push the Wells Fargo board to claw back $60 million in compensation from two top executives in fall 2016 (see 2016 Postseason Report) and led shareowners to cast between 30 and 48 percent of their votes against eight directors at the bank's spring 2017 annual meeting.

SUPPORTING SUPPLIER DIVERSITY

In September 2016, the NYC Funds sent letters to 16 of their largest portfolio companies that have supplier diversity policies in place, asking them to disclose quantitative performance metrics on their supplier diversity programs. Including an earlier round of letters sent in 2014, the NYC Funds have now engaged 36 of their largest portfolio companies in support of enhanced disclosure of their supplier diversity efforts.

Since the 2016 round of letters was first reported in last year's Postseason Report, six companies – **Colgate-Palmolive Company**, **Dell/EMC**, **Dow Chemical**, **Lowe's Companies**, **Monsanto Company**, and **Starbucks** – are now publicly reporting some quantitative data on their supplier diversity programs. **Twenty-First Century Fox** disclosed information privately but would not report publicly. **Mondelez International** reported that it is developing a process to track its supplier diversity performance and would disclose when the data becomes available. **Goldman Sachs** reported that it is implementing supplier diversity across the organization and would consider disclosure when the process is complete.

Arconic (formerly part of Alcoa) engaged the funds, but has not disclosed any information to date, while the remaining seven companies – **Allergan**, **Alphabet**, **Costco**, **Facebook**, **General Dynamics**, and **Visa** – were unresponsive; they neither engaged the NYC Funds nor provided any additional public disclosures.

ENCOURAGING HUMAN CAPITAL MANAGEMENT BEST PRACTICES AND DISCLOSURES

As long-term shareowners, the NYC Funds 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 NYC Funds, joined with a group of 16 large institutional investors to form the Human Capital Management Coalition ("HCM Coalition") in 2013. Since 2013, the HCM Coalition – which is spearheaded by the UAW Retiree Medical Benefits Trust and has grown to include 27 members with $2.9 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 HCM Coalition filed a petition for rulemaking to the U.S. Securities and Exchange Commission 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.

HOLDING BOARDS ACCOUNTABLE FOR "VIRTUAL-ONLY" SHAREOWNER MEETINGS

In response to the surge in public companies holding "virtual-only" annual meetings, the NYC Funds amended their voting guidelines in spring 2017 to affirm their expectation that companies hold "in-person" annual meetings and only hold "virtual" meetings to supplement, not replace, in-person meetings. In-person meetings enable shareowners, regardless of their size, to have a face-to-face opportunity to engage and ask questions of senior management and directors in the presence of other investors at least once per year.

Under the new guideline, the NYC Funds will vote against incumbent members of the governance/nominating committee at any company that holds a "virtual-only" annual meeting. This new guideline was implemented immediately for S&P 500 companies holding virtual-only annual meetings in 2017, with an exception for those companies that agreed in advance of their 2017 meeting dates to revert to in-person annual meetings in 2018; the voting guideline will extend to all U.S. portfolio companies in 2018.

ADVOCATING AGAINST FIREARM SALES BY KROGER AND WAL-MART

On behalf of NYCERS, joined by TRS and BERS, the Comptroller sent letters in early June 2017 to **Wal-Mart** and **Kroger**, asking to engage with independent directors of each company regarding their boards' consideration of the significant financial and reputational risks associated with the retail sale of firearms at their stores. In the case of Kroger, the letter was co-signed with Domini Impact Investments. The initiative was prompted by a Board Resolution approved by the NYCERS Board of Trustees.

While the letters urged each company to eliminate firearm sales in their entirety due to these risks, they voiced particular concern with respect to the sale of semi-automatic firearms and high-capacity cartridges at the companies' retail stores. The letters made the case that there is little upside to shareowner value and return on their investments, while long-term shareowners are being asked to take undisclosed and substantial financial risks as a result of such sales. To date, neither company has responded.

URGING BANKS TO SUPPORT RE-ROUTING THE DAKOTA ACCESS PIPELINE (DAPL)

On behalf of TRS, NYCERS, FIRE and BERS, the Comptroller joined with a coalition of 130 investors representing over $685 million in assets under management to sign a February 2017 Investor Statement calling on the banks financing the Dakota Access Pipeline (DAPL) to address or support the Standing Rock Sioux Tribe's request to reroute the pipeline and avoid their treaty territory.

The investor group, which was led by Boston Common Asset Management with significant backing from CalPERS and the NYC Funds, cited concerns about reputational and potential financial risks for banks with ties to DAPL. The banks include Bank of Tokyo-Mitsubishi UFJ, Bayerische Landesbank, BancoBilbao Vizcaya Argentaria, BNP Paribas, Citigroup, Crédit Agricole, DNB, Industrial and Commercial Bank of China, ING, Intesa Sanpaolo, Mizuho Bank (Mizuho Financial Group), Natixis, Société Générale, Sumitomo Mitsui Financial Group, SunTrust Bank, Toronto-Dominion Bank, and Wells Fargo.

The following month, Comptroller Stringer and a major public pension fund, in collaboration with First Peoples Worldwide, convened a briefing for global investors in Washington, DC, where many of the largest investors in the world were assembled for meetings of both the Council of Institutional Investors and the International Corporate Governance Network.

During the briefing, the Chairman of the Standing Rock Sioux Tribe, Dave Archambault II, discussed the risks to the Tribe posed by construction of the pipeline on and around tribal treaty land. The investors also discussed the responsibility of the banks under an environmental and social risk management framework, known as the Equator Principles, which call for banks financing projects to have robust standards for indigenous peoples' rights and consultation with locally affected communities as well as robust labor standards.

OTHER NOTEWORTHY COMPANY INITIATIVES

Over the past year, the Comptroller's Office engaged various companies, often in collaboration with other institutional investors, on a broad range of issues consistent with the policies and long-term interests of the NYC Funds. For example:

- In response to allegations by the U.S. Environmental Protection Agency that **Fiat Chrysler Automobiles N.V.** violated the Clean Air Act by installing undisclosed software that may have enabled excessive diesel emissions by over 100,000 of its diesel vehicles, the Comptroller, in a January 2017 letter, called on the Fiat Chrysler board to establish a special committee of independent directors to investigate the facts and circumstances behind the EPA's Notice of Violation and to disclose to shareowners its findings and any recommended remedial actions. In a written response, the independent directors acknowledged the concerns and described the steps they were taking, but fell short of the requested steps.

- After **Snap Inc**. announced in February 2017 that it was launching an Initial Public Offering with a share structure that offered public investors no voting rights – and therefore no voice in the company's corporate governance – the Comptroller joined a coalition of 17 other Council of Institutional Investors (CII) members to send a letter to the co-founders and chairman-designee of Snap that urged them to reconsider the share structure.

- The Comptroller's Office worked with a coalition of investors to write to **Tesla**'s Lead Independent Director in April 2017 to request a meeting to discuss concerns with the company's corporate governance. In addition to calling for more gender and racial/ethnic diversity on the board, the letter called for annual elections of all members of Tesla's board, and for more independence from Tesla's founder Elon Musk among the non-executive directors (five of six non-executive directors had professional or personal ties to Mr. Musk). The Lead Independent Director agreed to speak by telephone with the coalition in early May, which was followed by the appointment in July of two additional independent directors to the board, including a woman of color. The coalition sent a second letter in July to reaffirm its request for further governance changes and request a meeting with the two new independent directors.

- Over the past year, the Comptroller's Office supported efforts by the **Sustainability Accountability Standards Board (SASB)** to consult with public companies and encourage them to provide feedback on SASB's five-year-long initiative to develop industry-specific market standards for the disclosure of material Environmental, Social and Governance (ESG) information. The Comptroller's Office contacted certain portfolio companies and asked them to provide input in the consultation process before the standards are codified. The effort is consistent with the NYC Funds longstanding efforts to encourage public companies to disclose meaningful and comparable ESG information to investors using globally recognized frameworks and protocols. As part of the NYC Funds' support for SASB, Scott Evans, Chief Investment Officer to the NYC Funds, is a member of SASB's Investor Advisory Group.

2017 Regulatory Engagement

Over the past year, the Comptroller signed or co-signed various investor letters and statements in connection with proposed legislative and regulatory reforms and rollbacks, consistent with the policies and long-term interests of the NYC Funds. These efforts generally fell into one of three broad areas:

- **Defending Investor Rights** against mounting attacks, including on (a) the right of investors to submit shareowner proposals; (b) important investor protections in the Dodd Frank Act; (c) the proxy advisory firms on which investors rely for independent research; and (d) the SEC's independence and ability to fulfill its investor protection mission.

- **Addressing Climate Change**, including supporting the Paris Agreement and opposing efforts to roll back regulations implemented during the Obama administration to help limit global warming to 2 degrees Celsius, the goals established in the Paris Agreement.

- **Opposing Discriminatory State "Bathroom" Bills** that seek to deliberately limit the human rights of lesbian, gay, bisexual, and transgender (LGBT) people and that would have troubling financial implications for the business and investment climate in the relevant states.

DEFENDING INVESTOR RIGHTS

Over the past year investors confronted rapidly escalating attacks on their rights, including efforts to eviscerate the right to submit shareowner proposals and to roll back prudent safeguards for the oversight of companies contained in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), as well as in the powers and regulations of the SEC. These attempts have been embodied in the U.S. House of Representatives' Financial CHOICE Act of 2017 (CHOICE Act), as well as in related campaigns by the U.S. Chamber of Commerce and the Business Roundtable. In response, the Comptroller signed or co-signed:

- A March 2017 letter to the SEC from an investor group, representing $3 trillion in assets under management, expressing continued support for Section 953(b) of the Dodd-Frank Act (requiring companies to disclose the CEO to median worker pay ratio), and for the SEC rule that implemented the provision.

- A March 2017 letter to the SEC from a group of investors, with over $4.8 trillion in assets under management, expressing continued support for Section 1502 of the Dodd-Frank Act (requiring conflict minerals disclosure) and for the SEC rule implementing the provision. The SEC's Conflict Minerals Rule has helped to inform and improve investors' and companies' ability to assess and mitigate human rights and reputational risks in the supply chain related to four conflict minerals in the Democratic Republic of Congo (DRC) and border countries.

- An April 2017 Statement by the Comptroller (submitted to the House's Financial Services Committee) on the discussion draft of the CHOICE Act, highlighting the NYC Funds' proud record of using shareowner proposals to benefit the investing public, both financially and socially, and objecting to proposed changes in the SEC's current shareowner proposal process, which would effectively eliminate the NYC Funds' ability to submit any shareowner proposals.

- A May 2017 letter from CII and more than 50 institutional investors, with $4 trillion in combined assets, to all members of the House of Representatives opposing provisions of the CHOICE Act that undercut fundamental investor rights, including onerous curbs on shareowner proposals; rollbacks of protections against abusive pay practices; a ban on "universal proxy" cards that would give investors the ability to exercise their full voting rights to support all of their preferred candidates in contested director elections; new regulations that place undue burdens on proxy advisors that provide shareowners with the independent research many need to vote responsibly; and shackling the SEC with requirements that would severely undercut its ability to fulfill its mission to protect investors, police capital markets and foster capital formation.

- A June 2017 Joint Statement from more than a dozen Comptrollers and Treasurers, along with CII, delivered to House Speaker Paul Ryan and again objecting to the CHOICE Act's attack on the shareowner proposal process and detailing the long-term benefits that shareowner proposals have had for their portfolio companies and their beneficiaries. The Statement effort was led jointly by Comptroller Stringer and New York State Comptroller Thomas P. DiNapoli.

SUPPORTING REFORMS TO ADDRESS CLIMATE CHANGE

During 2017, the Comptroller joined with investors to re-iterate support for the Paris Agreement and related risk disclosures to investors, and to oppose efforts to roll back regulations implemented during the Obama administration to help limit global warming to 2 degrees Celsius, the goal established in the Paris Agreement. These efforts included:

- A January 2017 joint investor letter to the U.S. Environmental Protection Agency and U.S. Department of Transportation supporting a Final Determination preserving the 2022-2025 Model Year Light Duty Vehicle Greenhouse Gas (GHG) Emissions Standards. Maintaining these strong standards will serve to mitigate long-term risks to the global economy and investors across all asset classes by providing significant GHG reductions and reduce transportation costs for businesses and consumers. The letter was coordinated by CERES and included investors with over $740 billion in assets under management.

- A January 2017 statement, "Business Backs Low-Carbon USA", to President-elect Trump, Members of Congress, and global leaders at the 2016 UN Climate Conference in Marrakech (known as COP22) to strongly support a continuation of low carbon polices, increased investment in the low carbon economy at home and abroad, and U.S. continued participation in the Paris Climate Agreement. Since November 2016, over 1,000 companies and investors have signed the Business Backs Low-Carbon USA statement, which is coordinated by CERES.

- A February 2017 joint investor letter to Senator Schumer in support of the current Methane Waste Prevention Rule, which was at risk of being targeted for repeal under the Congressional Review Act. Methane leakage represents a growing risk to the climate and poses financial and reputational risk to investors in the oil and gas industry. The letter was coordinated by CERES.

- A February 2017 joint investor letter to Congress to oppose the use of the Congressional Review Act to repeal the Bureau of Land Management's (BLM) Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule, issued in 2016. This rule was issued to update regulations that govern venting, flaring, and leaks of natural gas in oil and gas production on public and tribal lands. Prevention of wasted methane would improve the operational efficiency and supply of natural gas as well as protect public health and safety. The letter was coordinated by CERES.

- A June 2017 Op-Ed piece, entitled "The Market-Based Approach to Climate Risk", in which Comptroller Stringer voiced strong support for the recommendations of the Financial Stability Board's Task Force on

Climate-related Financial Disclosures (TCFD), which were to be presented to the G20 governments at a summit later that month. He cited in particular the recommendation that every company disclose how its business and strategy would fare in world where warming is limited to 2-degrees Celsius or less. This process — known as "scenario analysis" — is a key step to understanding how transitioning to a low-carbon world would impact a company's long-term financial health.

- A July 2017 letter from global investors calling on the governments of the G7 and G20 nations to continue to support and implement the Paris Agreement, including the delivery of their own Nationally Determined Contributions; driving investment into low carbon transition opportunities; and implementing climate-related financial reporting frameworks, including supporting the Financial Stability Board Task Force on Climate-related Financial Disclosures. The letter was coordinated by a group of global investor organizations, including CERES, PRI and CDP, among others, and signed by 390 investors representing more than $22 trillion in assets.

- An August 2017 joint investor letter to the Chair of the Appropriation Committee in the California's State Assembly strongly supporting Senate Bill 100, which would accelerate the State's current Renewable Portfolio Program (RPS) requirement, increasing it from 50% of the State's electricity from renewable sources to 60% in 2030. It would also establish a goal for the State to satisfy all its electricity needs from carbon-free resources by 2045. SB100 would help the State achieve its economy-wide greenhouse gas emission reduction goals and would increase opportunities for additional clean energy investment. The letter was coordinated by CERES and signed by institutional investors with $196 billion in combined assets under management.

ORGANIZING INVESTOR OPPOSITION TO DISCRIMINATORY STATE "BATHROOM" BILLS

Over the past year, the Comptroller co-led two investor initiatives against discriminatory state bills that deliberately limit the human rights of lesbian, gay, bisexual, and transgender (LGBT) people. The bills have troubling financial implications for the business and investment climate in the relevant states where all of the investors owned companies doing business. In both instances, the Comptroller partnered with Trillium Asset Management.

- In September 2016, the Comptroller and Trillium Asset Management co-led a coalition of investors representing $2.1 trillion in assets under management to call for a full repeal of North Carolina's notorious House Bill 2 (HB2), the discriminatory provisions of which made it difficult for portfolio companies to attract and retain top talent to work in their North Carolina operations. HB2 has reportedly cost the state more than $600 million in economic losses through a decline in tourism, relocation of sporting events, and investments redirected to other states.

- Building on the success of the North Carolina campaign, in February 2017 the Comptroller and Trillium Asset Management co-led an extraordinary coalition of institutional investors representing more than $11 trillion in assets under management – including some of the largest investors in the world – to oppose Texas' Senate Bill 6 (SB6). Similar to HB2, SB6 requires individuals to use the bathroom that aligns with the gender on their original birth certificate in public buildings such as schools, government offices, and public universities. Given that Texas is the second largest state economy in the United States, passage of this bill could have severe implications for companies, the State and broader U.S. economy.

2017 Shareowner Proposal Results by Company

Company	Issue/Proposal	Proponents[1]	2017
Abercrombie & Fitch Co.	Proxy Access	B, F, N, P, T	82.3%
ACI Worldwide, Inc.	Proxy Access	B, F, N, P, T	Settled
Aetna Inc.	Gender Pay Equity	B, F, N, P, T	16.6%
Aflac Incorporated	Gender Pay Equity	B, F, N, P, T	Settled
Albemarle Corporation	Proxy Access	B, F, N, P, T	Settled
Alliant Energy Corporation	Political Spending Disclosure	B, F, N, P, T	38.6%
AMERICAN INTERNATIONAL GROUP, INC.	Gender Pay Equity	B, F, N, P, T	Settled
AMETEK, Inc.	Proxy Access	B, F, N, P, T	Settled
Anthem, Inc.	Gender Pay Equity	B, F, N, P, T	Settled
Baker Hughes Incorporated	Proxy Access	B, F, N, P, T	Settled
BB&T Corporation	Proxy Access	B, F, N, P, T	Settled
C. R. Bard, Inc.	Proxy Access	B, F, N, P, T	Settled
CenterPoint Energy, Inc.	Proxy Access	B, F, N, P, T	Settled
Chevron Corporation	Climate Risk Disclosure	B, F, N, P, T	Settled
Consolidated Edison, Inc.	Proxy Access	B, F, N, P, T	Settled
Crown Castle International Corp.	Proxy Access	B, F, N, P, T	86.6%
DENTSPLY Sirona Inc.	Proxy Access	B, F, N, P, T	Settled
Diebold, Incorporated	Proxy Access	B, F, N, P, T	Settled
Dollar General Corporation	Proxy Access	F, T	Settled
Dollar General Corporation	Sustainable Seafood	B, N, P	Settled
Dollar Tree, Inc.	Proxy Access	B, F, N, P, T	Settled
E. I. du Pont de Nemours and Company	Proxy Access	B, F, N, P, T	Settled
Entergy Corporation	Proxy Access	B, F, N, P, T	Settled
Equifax Inc.	Proxy Access	B, F, N, P, T	Settled
Eversource Energy	Proxy Access	B, F, N, P, T	Settled
Express Scripts Holding Company	Gender Pay Equity	B, F, N, P, T	7.2%
Exxon Mobil Corporation	Climate Risk Disclosure	B, F, N, P, T	62.1%
Fidelity National Financial Inc.	Proxy Access	B, F, N, P, T	Settled
FMC Corporation	Proxy Access	B, F, N, P, T	Settled
FMC Technologies, Inc.	Proxy Access	B, F, N, P, T	Settled
GameStop Corp.	Proxy Access	B, F, N, P, T	Settled
Gilead Sciences, Inc.	EEO-1	B, F, N, P, T	Settled
Global Payments Inc.	Proxy Access	B, F, N, P, T	Settled

Company	Issue/Proposal	Proponents[1]	2017
Great Plains Energy	Political Spending Disclosure	B, F, N, P, T	24.8%
Hospitality Properties Trust	Proxy Access	B, N, P	84.8%
Humana Inc.	Proxy Access	B, F, N, P, T	76.3%
International Business Machines Corporation	Proxy Access	B, F, N, P, T	59.4%
Juniper Networks, Inc.	EEO-1	B, F, N, P, T	25.1%
Kilroy Realty Corporation	Proxy Access	B, F, N, P, T	Settled
Kinder Morgan, Inc.	Proxy Access	B, F, N, P, T	58.6%
Lam Research	EEO-1	B, F, N, P, T	43.4%
Leggett & Platt, Incorporated	Proxy Access	B, F, N, P, T	Settled
Leucadia National Corporation	Proxy Access	B, F, N, P, T	Settled
LKQ Corporation	Proxy Access	B, F, N, P, T	Settled
Marsh & McLennan Companies, Inc.	Proxy Access	B, F, N, P, T	Settled
Martin Marietta Materials, Inc.	Proxy Access	B, F, N, P, T	72.5%
McKesson Corporation	Gender Pay Equity	B, F, N, P, T	Settled
MINERALS TECHNOLOGIES INC.	Proxy Access	B, F, N, P, T	87.5%
Monster Beverage Inc.	Proxy Access	B, F, N, P, T	40.7%
Nabors Industries Ltd	Proxy Access	B, F, N, P, T	54.1%
National Oilwell Varco, Inc.	Proxy Access	B, F, N, P, T	98.4%
NetApp, Inc	EEO-1	B, N, P	28.1%
NetApp, Inc.	Proxy Access	F, T	92.3%
Netflix,Inc.	Proxy Access	B, F, N, P, T	66.8%
NeuStar, Inc.	Proxy Access	B, F, N, P, T	Settled
New York Community Bancorp, Inc.	Proxy Access	B, F, N, P, T	Settled
Newfield Exploration Company	Proxy Access	B, F, N, P, T	Settled
NRG Energy, Inc.	Proxy Access	Not sent	Settled
NRG Energy, Inc.	Political Spending Disclosure	N,T	30.8%
Occidental Petroleum Corporation	Climate Risk Disclosure	B, F, N, P, T	67.3%
ONEOK, Inc.	Proxy Access	B, F, N, P, T	Settled
O'Reilly Automotive, Inc.	Proxy Access	B, F, N, P, T	Settled
Paccar Inc.	Proxy Access	B, F, N, P, T	49.6%
Phillips 66	Proxy Access	B, F, N, P, T	Settled
Pinnacle West Capital Corporation	Proxy Access	B, F, N, P, T	Settled
PulteGroup, Inc.	Proxy Access	B, F, N, P, T	Settled
Ross Stores, Inc.	Proxy Access	B, F, N, P, T	Settled
SBA Communications Corporation	Proxy Access	B, F, N, P, T	Settled

Company	Issue/Proposal	Proponents[1]	2017
SCANA Corporation	Proxy Access	B, F, N, P, T	Settled
Sealed Air Corporation	Proxy Access	B, F, N, P, T	Settled
Senior Housing Properties Trust	Proxy Access	B, N, P	78.7%
Skyworks Solutions, Inc.	Proxy Access	B, F, N, P, T	Settled
Sprouts Farmers Market, Inc.	Proxy Access	B, F, N, P, T	Settled
Texas Instruments Incorporated	Proxy Access	B, F, N, P, T	Settled
Textron Inc.	Proxy Access	B, F, N, P, T	Settled
The Allstate Corporation	Gender Pay Equity	B, F, N, P, T	Settled
The Charles Schwab Corporation	Proxy Access	F, T	61.3%
The Charles Schwab Corporation	Diversity/EEO-1 Disclosure	B, N, P	25.9%
The Travelers Companies, Inc.	Gender Pay Equity	B, F, N, P, T	18.3%
The Ultimate Software Group, Inc.	Proxy Access	B, F, N, P, T	Settled
The Williams Companies, Inc.	Proxy Access	B, F, N, P, T	Settled
Tractor Supply Company	Proxy Access	B, F, N, P, T	Settled
UnitedHealth Group Incorporated	Gender Pay Equity	B, F, N, P, T	Settled
Universal Health Services	Proxy Access	B, F, N, P, T	8.3%
Urban Outfitters, Inc.	Proxy Access	B, F, N, P, T	Settled
Ventas, Inc.	Proxy Access	B, F, N, P, T	Settled
VeriFone Systems, Inc.	Proxy Access	B, N	Settled
Vornado Realty Trust	Proxy Access	B, F, N, P, T	Settled
W.W. Grainger, Inc.	Proxy Access	B, F, N, P, T	Settled
Waters Corporation	Proxy Access	B, F, N, P, T	89.4%
WebMD Health Corp.	Proxy Access	B, F, N, P, T	Settled
Xilinx, Inc.	Proxy Access	B, F, N, P, T	Settled

[1]Indicates which NYC Funds filed 2017 proposal: B-BERS; F-Fire; N-NYCERS; P-Police; T-TRS

NYC Funds' Focus Companies Enacting Proxy Access, 2014 - 2017

The following is a comprehensive list of companies that have enacted bylaws as of October 31, 2017 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 NYC Funds. It includes two companies, Chesapeake Energy and McKesson, which agreed to enact proxy access prior to the fall 2014 launch of the Boardroom Accountability Project.

3M Company
AbbVie Inc.
ACI Worldwide, Inc.
AES Corporation, The
Albemarle Corporation
Alexion Pharmaceuticals, Inc.
Alliance Data Systems Corporation
Ameren Corporation
American Airlines Group Inc.
American Electric Power Co., Inc.
American Tower Corporation
AMETEK, Inc.
Amgen Inc.
Anadarko Petroleum Corporation
Apache Corp.
Apartment Investment and Management Co.
AvalonBay Communities Inc.
Avon Products Inc.
BB&T Corporation
Bed Bath & Beyond Inc.
Big Lots Inc.
Boeing Company, The
C. R. Bard, Inc.
Cabot Oil & Gas Corporation
Caterpillar Inc.
CenterPoint Energy, Inc.
Cerner Corporation
CF Industries Holdings, Inc.
Cheniere Energy, Inc.
Chesapeake Energy Co.
Chevron Corporation
Chipotle Mexican Grill, Inc.
Cimarex Energy Co.
Cloud Peak Energy Inc.
CMS Energy Corporation
Colgate-Palmolive Company
ConocoPhillips
CONSOL Energy Inc.
Consolidated Edison, Inc.
DENTSPLY Sirona Inc.
Devon Energy Corporation
Diebold Nixdorf, Incorporated
Dollar General Corporation
Dollar Tree, Inc.
Dominion Resources, Inc.
DTE Energy Company
Duke Energy Corporation
eBay Inc.
Electronic Arts Inc.
Entergy Corporation
EOG Resources, Inc.
EQT Corporation
Equifax Inc.
Equity Residential
Eversource Energy
Exelon Corporation
Expeditors International of Washington Inc.
Express Scripts Holding Company
Exxon Mobil Corporation
Fidelity National Financial, Inc.
Fidelity National Information Services, Inc.
FleetCor Technologies, Inc.
FMC Corporation
Freeport-McMoRan Copper & Gold Inc.
GameStop Corp.
Global Payments Inc.
Hasbro Inc.
HCP, Inc.
Hess Corporation
Home Depot, Inc., The
Honeywell International Inc.
Intel Corporation
Intercontinental Exchange, Inc.
Johnson & Johnson

Kilroy Realty Corporation
Kinder Morgan, Inc.
Leggett & Platt, Incorporated
Leucadia National Corporation
Level 3 Communications, Inc.
LKQ Corporation
Macerich Company, The
Marathon Oil Corporation
Marsh & McLennan Companies, Inc.
Minerals Technologies Inc.
McKesson Corp.
Murphy Oil Corporation
Nabors Industries Ltd.
National Oilwell Varco, Inc.
New York Community Bancorp Inc.
Newfield Exploration Company
NiSource Inc.
Noble Energy, Inc.
NRG Energy, Inc.
NVR, Inc.
Occidental Petroleum Corporation
ONEOK, Inc.
O'Reilly Automotive, Inc.
Peabody Energy Corp.
PepsiCo, Inc.
Pfizer Inc.
Phillips 66
Pinnacle West Capital Corporation
Pioneer Natural Resources Co.
PPL Corporation
Praxair, Inc.
Priceline Group Inc., The
PulteGroup, Inc.
Range Resources Corporation
Republic Services
Roper Technologies Inc.
Ross Stores, Inc.
salesforce.com, inc.
SBA Communications Corp.
SCANA Corporation
Sealed Air Corporation
Skyworks Solutions, Inc.
SL Green Realty Corp.
Southern Company
Southwestern Energy Co.
Splunk, Inc.
Sprouts Farmers Market, Inc.
Staples, Inc.
Texas Instruments Incorporated
Textron Inc.
Tractor Supply Company
U.S. Bancorp
Ultimate Software Group, Inc., The
Union Pacific Corporation
United Therapeutics Corporation
Unum Group
Urban Outfitters Inc.
Ventas, Inc.
VEREIT
VeriFone Systems, Inc.
Vertex Pharmaceuticals Incorporated
Visteon Corporation
Vornado Realty Trust
W.W. Grainger, Inc.
WebMD Health Corp.
WEC Energy Group, Inc.
Wells Fargo & Company
Westmoreland Coal Co.
Whiting Petroleum Corp.
Williams Companies, Inc., The
Xcel Energy Inc.
Xilinx, Inc.
Zoetis Inc.

NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

1 Centre Street, New York, NY 10007

(212) 669-3500 • comptroller.nyc.gov

@NYCComptroller