



## Shifting Gears

2020 marked the third year of the Shifting Gears initiative and the first proxy season in which IASJ Affiliates filed shareholder proposals with focus companies to call for stronger human rights practices in the automotive industry. Three proposals made it to the proxy, including at **Lear Corporation, General Motors, and Tesla**. IASJ's active participation in companies' AGMs to present shareholder proposals and ask questions about human rights risk management led to increased engagement with the board, senior executives, and fellow shareholders. Filing proxy memos also helped build the vote.

The proposal on Human Rights Impact Assessment at **Lear**, filed by Sisters of the Good Shepherd, was supported by **45%** of shareholders. A near-majority outcome for a first-year filing sent a strong signal about increasing investor expectations for human rights. IASJ moved the proposal at the annual meeting, and the company answered IASJ's question submitted about board oversight of human rights risks.

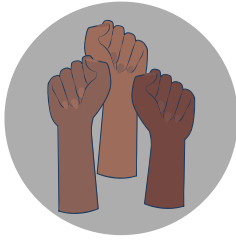


The Human Rights Policy Implementation proposal at **GM**, filed by four IASJ Affiliates, received **32%** shareholder support. Brother George Schmitz, representing Congregation of Holy Cross, Moreau Province and the other filers, gave an impactful speech to move the proposal, highlighting the company's responsibility to address racial justice. The company also answered questions submitted by Br. George about racism and diversity and inclusion during the Q&A portion.

A proposal on Human Rights Disclosure at **Tesla**, filed by Sisters of the Good Shepherd, has yet to go to a vote since the company continues to delay its AGM in hopes of holding an in-person meeting in California, tentatively in mid-September. IASJ already filed a proxy memo and will use this extra time to engage with Tesla shareholders with the goal of building the vote.



In addition to the proposals that made it to the proxy, IASJ also reached an agreement with **Nucor**. Nucor adopted a Human Rights Policy, and **Genuine Parts Company** is also working to develop a Human Rights Policy. Two resolutions were omitted, including a proposal at **PPG**, which was excluded on substantial implementation grounds.



## Racial Justice & Immigrants' Rights

Resolutions filed with Amazon and Northrop Grumman as part of IASJ's work on racial justice and immigrants' rights also received strong support from investors this proxy season.

This year at **Amazon**, Sisters of St. Joseph of Brentwood led a filing on Customer Due Diligence, which highlighted the company's responsibility to manage risks related to use of facial recognition technology and other surveillance technologies by governments and other high-risk business relationships. The proposal received support from **32%** of investors, or **40%** of independent investors, which is a significant increase in support from last year's proposal on surveillance technology. IASJ partnered with Open Mic and MediaJustice to develop a proxy memo and move the proposal.



At **Northrop Grumman**, IASJ Affiliates partnered with Sisters of St. Francis of Philadelphia to file a shareholder proposal on Human Rights Impact Assessment, to build upon the Human Rights Policy Implementation Proposal last year. The Heartland Initiative helped draft the proposal to highlight the company's business activities in conflict-affected areas, and the proposal again raised concern with Northrop Grumman's contract to build a controversial biometric identity database for the Department of Homeland Security (DHS). IASJ moved the proposal at the AGM, where it received **24.16%** support.

IASJ's first proposal of the season was filed with **Tyson Foods** on Human Rights Due Diligence filed by the American Baptist Home Mission Society (ABHMS) and co-filed by several IASJ Affiliates and ICCR members. This was the second year this proposal went to a vote, and it highlighted the company's worker health and safety risks, community impacts of water pollution, and food safety issues. The proposal received **14.58%** support overall, which represented **59.68%** support from independent shareholders. This was a significant increase in support from the prior year vote of 5.5%. IASJ attended the AGM with representatives of a community group impacted by a Tyson wastewater spill in Alabama, to co-present the proposal and speak with executives after the meeting.



At **Chevron**, IASJ Affiliates partnered with Sisters of St. Francis of Philadelphia to file a shareholder proposal on the assessment of its human rights practices. The proposal received **17%** of shareholder support at the company's annual meeting in May. The engagement this past year was coordinated with community groups impacted by an oil spill in Northern California. IASJ will continue to focus its attention on environmental justice impacts of Chevron's operations and the effectiveness of its human rights due diligence.