

March 19, 2020

ISS Publishes New Climate Proxy Voting Guidelines

Thematic Specialty Voting Policy Intended to Respond to Growing Investor Focus on Climate Risk and Includes Potential Recommendations Against Directors for Failure to Adequately Address Climate-Related Risks and, Under Extraordinary Circumstances, for Other ESG Failures (Including Director Actions on Other Boards)

SUMMARY

On March 9, Institutional Shareholder Services Inc. published its new specialty Climate Proxy Voting Guidelines. The U.S. Climate Voting Policy builds on ISS's general 2020 U.S. Proxy Voting Guidelines, published on November 18, 2019, with key differences with respect to failure to adequately address climate-related risks, realize climate-related opportunities and improve climate-related performance; other "ESG" failures; and climate-related, human rights and other environmental/social proposals. The Appendix shows a side-by-side comparison of the Climate Voting Policy and General Voting Policy.

OVERVIEW

ISS released the Climate Voting Policy as the latest of its "thematic specialty voting policies" on March 9 in response to increasing investor focus on climate change risks. According to ISS's 2019 Global Policy Survey, over 60% of respondents (comprising investors, public company executives and company advisors) believe that companies should be assessing and disclosing climate-related risks and taking actions to mitigate such risks where possible. In announcing the release of the Climate Voting Policy, ISS highlighted that the new guidelines are based on "principles developed from widely recognized international frameworks," such as the disclosure requirements developed by the Task Force on Climate-related Financial Disclosures (TCFD). As with its other thematic voting policies, ISS has released different versions

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of the Climate Voting Policy for U.S. companies and non-U.S. companies. ISS states that it intends to update the Climate Voting Policy on an annual basis to account for new trends, market standards, legal developments and investor sentiments that may emerge over time.

ISS's thematic voting guidelines are "special issue" voting guidelines that ISS has developed for investors that wish to integrate a particular set of factors into their voting decisions. Although these voting policies follow the General Voting Policy in format and subject-matter, the recommendations under each specialty voting policy differ on the identified topic. If use of thematic guidelines becomes more prevalent, companies may need to consult with their proxy solicitors to obtain further information regarding the split in their investor base between subscribers of the General Voting Policy versus the Climate Voting Policy (or other thematic policies).

SUMMARY OF KEY DIFFERENCES

This section provides a high-level summary of the key differences between the General Voting Policy and the Climate Voting Policy applicable to U.S. companies. The Appendix shows a side-by-side comparison of the differing provisions between the two sets of ISS voting recommendations.

Climate and Environmental/Social/Governance (ESG)

- **Board of Directors (new).** Core to the Climate Voting Policy are two voting recommendations relating to performance failures by the board of directors. First, the Climate Voting Policy recommends **voting against or withholding from** directors individually, or relevant responsible committee members, due to a failure to adequately address climate-related risks, realize climate-related opportunities and improve climate-related performance.

The Climate Change Policy recommends, **under extraordinary circumstances, voting against or withholding from** directors individually, committee members or the entire board, due to a series of potential oversight failures:

- material failures of oversight or fiduciary responsibilities at the company, including failure to adequately guard against or manage ESG risks;
 - failure to adequately guard against or manage climate-related risks;
 - a lack of sustainability reporting in conjunction with a failure to adequately manage or mitigate ESG risks;
 - failure to replace management as appropriate; and
 - egregious actions on other corporate boards.
- **Climate Change/Greenhouse Gas (GHG) Emissions.** The Climate Voting Policy recommends **voting for** proposals that call for the reduction of GHG emissions (the General Voting Policy is case-by-case). In addition, whereas the General Voting Policy recommends "generally" voting for¹ proposals requesting a report on GHG emissions from operations and/or products, the Climate Voting Policy recommends **voting for** such proposals.

¹ As used by ISS, a recommendation to "generally vote for" proposals means that the voter should consider certain mitigating factors before voting for such proposals. The applicable mitigating factors for each such proposal are outlined in the Appendix.

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- **Community Social and Environmental Impact Assessments.** The Climate Voting Policy recommends **generally voting for** reports on policies and/or the potential (community) social and/or environmental impact of operations (the General Voting Policy is case-by-case).
- **Water Issues.** The Climate Voting Policy recommends **generally voting for** requests for reports or new policies on water-related risks and concerns (the General Voting Policy is case-by-case).
- **Renewable Energy.** The Climate Voting Policy recommends **generally voting for** proposals requesting that the company invest in renewable energy sources concerns (the General Voting Policy is generally vote against).
- **Product Safety and Toxic/Hazardous Materials.** The Climate Voting Policy recommends **generally voting for** requests that companies develop feasibility assessments to phase out certain toxic/hazardous materials or evaluate and disclose potential financial and legal risks associated with utilizing certain materials (the General Voting Policy is case-by-case).
- **ESG Compensation-Related Proposals.** The Climate Voting Policy recommends **generally voting for** proposals to link or report on linking executive compensation to sustainability criteria (the General Voting Policy is case-by-case).
- **Equator Principles (new).** New to the Climate Voting Policy is a voting recommendation relating to the Equator Principles, a set of voluntary guidelines that were launched in June 2003 and subsequently adopted by over forty private financial institutions to manage social and environmental risk in project financing. The Climate Voting Policy recommends **voting for** proposals to study or implement the Equator Principles.

Human Rights

- **Company or Supplier Labor and/or Human Rights Standards and Policies.** The Climate Voting Policy recommends **voting for** proposals to implement company or supplier labor and/or human rights standards and policies (the General Voting Policy is case-by-case).
- **Human Rights Risks in Its Operations or in Its Supply Chain.** The Climate Voting Policy recommends **voting for** requests that a company assess human rights risks in its operations or in its supply chain or report on such assessment (the General Voting Policy is case-by-case).
- **Adoption of Human Rights Standards, Principles or Codes (new).** New to the Climate Change Policy are two voting recommendations relating to the adoption of human rights standards, principles or codes. The Climate Voting Policy recommends **voting for** policies calling for implementation and reporting on ILO codes of conduct (which seek to protect workers who manufacture products enjoyed by consumers around the world), SA 8000 Standards (which encourage organizations to develop, maintain and apply socially acceptable practices in the workplace) or the Global Sullivan Principles (which address the economic, social and political justice impact of companies' operations in the communities where they operate). In addition, the Climate Change Policy recommends **voting for** proposals calling for the adoption and/or enforcement of principles or codes relating to countries with systematic violations of human rights.
- **Foreign Suppliers and Licensees (new).** New to the Climate Voting Policy are two voting recommendations relating to foreign suppliers and licensees. The Climate Voting Policy recommends **voting for** proposals that seek publication of a code of conduct to foreign suppliers and licensees, requiring satisfaction of all applicable standards and laws protecting employee wages, benefits, working conditions, freedom of association and other rights. In addition, it recommends **voting for** proposals to adopt labor standards to ensure a company will not do business with foreign suppliers using forced labor or child labor or that fail to comply with applicable laws protecting employee wages and working conditions.
- **Monitoring (new).** New to the Climate Change Policy is a voting recommendation to **vote for** proposals calling for independent monitoring programs in conjunction with local groups to monitor supplier and licensee compliance with codes of conduct.

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- **Vendor Standards (new).** New to the Climate Change Policy is a voting recommendation to **vote for** proposals seeking reports on or the adoption of vendor standards.

COVID-19

- **Health Pandemics (new).** New to the Climate Voting Policy are two voting recommendations relating to health pandemics, likely adopted in light of the COVID-19 outbreak. The Climate Voting Policy recommends **voting case-by-case** on requests for reports outlining the impact of health pandemics on operations and the company's response. In addition, it recommends **voting against** proposals asking companies to establish a standard of response to health pandemics.

Diversity/Employment

- **Equality of Opportunity.** The Climate Voting Policy recommends **generally voting for** proposals seeking information on the diversity efforts of suppliers and service providers (the General Voting Policy is to generally vote against).
- **MacBride Principles (new).** New to the Climate Voting Policy is a voting recommendation relating to the MacBride Principles, a set of employment principles that were developed in the 1980s in response to unfair hiring practices between Protestants and Catholics in Northern Ireland. The MacBride Principles require companies with operations abroad to support equal employment policies with respect to operations in Northern Ireland. The Climate Voting Policy recommends **voting for** support of the MacBride Principles for operations in Northern Ireland that request companies to abide by equal employment opportunity policies.

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Appendix

Comparison of differing provisions between the General Voting Policy and Climate Voting Policy

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
Board of Directors	<u>Climate Change Risk Mitigation and Performance Failures</u> No corresponding provision	<u>Climate Change Risk Mitigation and Performance Failures</u> Vote against or withhold from directors individually, or relevant responsible committee members, due to a failure to adequately address climate-related risks, realize climate-related opportunities, and improve climate-related performance.
	<u>Environmental, Social and Governance (ESG) Failures</u> No corresponding provision	<u>Environmental, Social and Governance (ESG) Failures</u> Under extraordinary circumstances, vote against or withhold from directors individually, committee members, or the entire board, due to: <ul style="list-style-type: none"> • Material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company, including failure to adequately guard against or manage ESG risks; • Failure to adequately guard against or manage climate-related risks; • A lack of sustainability reporting in the company’s public documents and/or website in conjunction with a failure to adequately manage or mitigate ESG risks; • Failure to replace management as appropriate; or • Egregious actions related to a director’s service on other boards that raise substantial doubt about his or her ability to effectively oversee management and serve the best interests of shareholders at any company.
Social/Environmental Issues—Climate Change	<u>Climate Change/Greenhouse Gas (GHG) Emissions</u> General Recommendation: Generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments or on how the company identifies, measures, and manages such risks, considering:	<u>Climate Change/Greenhouse Gas (GHG) Emissions</u> Climate change has emerged as the most significant environmental threat to the planet to date. Scientists agree that gases released by chemical reactions including the burning of fossil fuels contribute to a “greenhouse effect” that traps the planet’s heat. Environmentalists claim that the greenhouse gases produced by the industrial age have caused recent weather crises such as heat waves,

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<ul style="list-style-type: none"> • Whether the company already provides current, publicly available information on the impact that climate change may have on the company as well as associated company policies and procedures to address related risks and/or opportunities; • The company’s level of disclosure compared to industry peers; and • Whether there are significant controversies, fines, penalties, or litigation associated with the company’s climate change-related performance. <p>Generally vote for proposals requesting a report on greenhouse gas (GHG) emissions from company operations and/or products and operations, unless:</p> <ul style="list-style-type: none"> • The company already discloses current, publicly available information on the impacts that GHG emissions may have on the company as well as associated company policies and procedures to address related risks and/or opportunities; • The company’s level of disclosure is comparable to that of industry peers; and • There are no significant, controversies, fines, penalties, or litigation associated with the company’s GHG emissions. <p>Vote case-by-case on proposals that call for the adoption of GHG reduction goals from products and operations, taking into account:</p> <ul style="list-style-type: none"> • Whether the company provides disclosure of year-over-year GHG emissions performance data; • Whether company disclosure lags behind industry peers; • The company’s actual GHG emissions performance; • The company’s current GHG emission policies, oversight mechanisms, and related initiatives; and • Whether the company has been the subject of recent, significant violations, fines, litigation, or controversy related to GHG emissions. 	<p>rainstorms, melting glaciers, rising sea levels and receding coastlines. With notable exceptions, business leaders have described the rise and fall of global temperatures as naturally occurring phenomena and depicted corporate impact on climate change as minimal. Shareholder proposals asking a company to issue a report to shareholders, “at reasonable cost and omitting proprietary information,” on greenhouse gas emissions ask that the report include descriptions of efforts within companies to reduce emissions, their financial exposure and potential liability from operations that contribute to global warming, their direct or indirect efforts to promote the view that global warming is not a threat and their goals in reducing these emissions from their operations. Proponents argue that there is scientific proof that the burning of fossil fuels causes global warming, that future legislation may make companies financially liable for their contributions to global warming, and that a report on the company’s role in global warming can be assembled at reasonable cost.</p> <p>Climate Policy Recommendation:</p> <ul style="list-style-type: none"> • Vote for shareholder proposals seeking information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments, or on how the company identifies, measures, and manage such risks. • Vote for shareholder proposals calling for the reduction of GHG emissions. • Vote for shareholder proposals seeking reports on responses to regulatory and public pressures surrounding climate change, and for disclosure of research that aided in setting company policies around climate change. • Vote for shareholder proposals requesting a report/disclosure of goals on GHG emissions from company operations and/or products.

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p><u>General Environmental Proposals and Community Impact Assessments</u></p> <p>General Recommendation: Vote case-by-case on requests for reports on policies and/or the potential (community) social and/or environmental impact of company operations, considering:</p> <ul style="list-style-type: none"> • Current disclosure of applicable policies and risk assessment report(s) and risk management procedures; • The impact of regulatory non-compliance, litigation, remediation, or reputational loss that may be associated with failure to manage the company’s operations in question, including the management of relevant community and stakeholder relations; • The nature, purpose, and scope of the company’s operations in the specific region(s); • The degree to which company policies and procedures are consistent with industry norms; and • The scope of the resolution. 	<p><u>Community Social and Environmental Impact Assessments</u></p> <p>Climate Policy Recommendation: Generally vote for requests for reports outlining policies and/or the potential (community) social and/or environmental impact of company operations considering:</p> <ul style="list-style-type: none"> • Current disclosure of applicable policies and risk assessment report(s) and risk management procedures; • The impact of regulatory non-compliance, litigation, remediation, or reputational loss that may be associated with failure to manage the company’s operations in question, including the management of relevant community and stakeholder relations; • The nature, purpose, and scope of the company’s operations in the specific region(s); • The degree to which company policies and procedures are consistent with industry norms; and • Scope of the resolution.
	<p><u>Energy Efficiency</u></p> <p>General Recommendation: Generally vote for proposals requesting that a company report on its energy efficiency policies, unless:</p> <ul style="list-style-type: none"> • The company complies with applicable energy efficiency regulations and laws, and discloses its participation in energy efficiency policies and programs, including disclosure of benchmark data, targets, and performance measures; or • The proponent requests adoption of specific energy efficiency goals within specific timelines. 	<p><u>Energy Efficiency</u></p> <p>Climate Policy Recommendation: Generally vote for proposals requesting that a company report on its energy efficiency policies.</p>
Social/Environmental Issues—Environment and Sustainability	<p><u>Facility and Workplace Safety</u></p> <p>General Recommendation: Vote case-by-case on requests for workplace safety reports, including reports on accident risk reduction efforts, taking into account:</p> <ul style="list-style-type: none"> • The company’s current level of disclosure of its workplace health and safety performance data, health and safety management policies, initiatives, and oversight mechanisms; 	<p><u>Facility and Workplace Safety</u></p> <p>Climate Policy Recommendation: Vote case-by-case on resolutions requesting that a company report on safety and/or security risks associated with its operations and/or facilities, considering:</p> <ul style="list-style-type: none"> • The company’s compliance with applicable regulations and guidelines; • The company’s current level of disclosure regarding its security and

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<ul style="list-style-type: none"> • The nature of the company’s business, specifically regarding company and employee exposure to health and safety risks; • Recent significant controversies, fines, or violations related to workplace health and safety; and • The company’s workplace health and safety performance relative to industry peers. <p>Vote case-by-case on resolutions requesting that a company report on safety and/or security risks associated with its operations and/or facilities, considering:</p> <ul style="list-style-type: none"> • The company’s compliance with applicable regulations and guidelines; • The company’s current level of disclosure regarding its security and safety policies, procedures, and compliance monitoring; and • The existence of recent, significant violations, fines, or controversy regarding the safety and security of the company’s operations and/or facilities. 	<p>safety policies, procedures, and compliance monitoring; and</p> <ul style="list-style-type: none"> • The existence of recent, significant violations, fines, or controversy regarding the safety and security of the company’s operations and/or facilities.
	<p><u>Hydraulic Fracturing</u></p> <p>General Recommendation: Generally vote for proposals requesting greater disclosure of a company’s (natural gas) hydraulic fracturing operations, including measures the company has taken to manage and mitigate the potential community and environmental impacts of those operations, considering:</p> <ul style="list-style-type: none"> • The company’s current level of disclosure of relevant policies and oversight mechanisms; • The company’s current level of such disclosure relative to its industry peers; • Potential relevant local, state, or national regulatory developments; and • Controversies, fines, or litigation related to the company’s hydraulic fracturing operations. 	<p><u>Hydraulic Fracturing</u></p> <p>Climate Policy Recommendation: Generally vote for proposals requesting greater disclosure of a company’s (natural gas) hydraulic fracturing operations, including measures the company has taken to manage and mitigate the potential community and environmental impacts of those operations.</p>
	<p><u>Sustainability Reporting</u></p> <p>General Recommendation: Generally vote for proposals requesting that a company report on its policies, initiatives, and oversight mechanisms related to social,</p>	<p><u>Sustainability Reporting</u></p> <p>The concept of sustainability is commonly understood as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. Indeed, the term sustainability is</p>

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	<p>economic, and environmental sustainability, unless:</p> <ul style="list-style-type: none"> • The company already discloses similar information through existing reports or policies such as an environment, health, and safety (EHS) report; a comprehensive code of corporate conduct; and/or a diversity report; or • The company has formally committed to the implementation of a reporting program based on Global Reporting Initiative (GRI) guidelines or a similar standard within a specified time frame. 	<p>complex and poses significant challenges for companies on many levels. Many in the investment community have termed this broader responsibility the “triple bottom line,” referring to the triad of performance goals related to economic prosperity, social responsibility and environmental quality. In essence, the concept requires companies to balance the needs and interests of their various stakeholders while operating in a manner that sustains business growth for the long term, supports local communities and protects the environment and natural capital for future generations.</p> <p>Shareholders may request general environmental reports or reports on a specific location/operation, often requesting that the company detail the environmental risks and potential liabilities of a specific project. Companies have begun to report on environmental and sustainability issues using the Global Reporting Initiative (GRI) standards. The GRI was established in 1997 with the mission of developing globally applicable guidelines for reporting on economic, environmental, and social performance. The GRI was developed by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP).</p> <p>Climate Policy Recommendation:</p> <ul style="list-style-type: none"> • Vote for shareholder proposals seeking greater disclosure on the company’s environmental and social practices, and/or associated risks and liabilities. • Vote for shareholder proposals asking companies to report in accordance with the Global Reporting Initiative (GRI). • Vote for shareholder proposals to prepare a sustainability report.
	<p><u>Water Issues</u></p> <p>General Recommendation: Vote case-by-case on proposals requesting a company report on, or adopt a new policy on, water-</p>	<p><u>Water Issues</u></p> <p>Climate Policy Recommendation: Generally vote for proposals requesting a company to report on, or to adopt a</p>

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p>related risks and concerns, taking into account:</p> <ul style="list-style-type: none"> • The company's current disclosure of relevant policies, initiatives, oversight mechanisms, and water usage metrics; • Whether or not the company's existing water-related policies and practices are consistent with relevant internationally recognized standards and national/local regulations; • The potential financial impact or risk to the company associated with water-related concerns or issues; and • Recent, significant company controversies, fines, or litigation regarding water use by the company and its suppliers. 	<p>new policy on, water-related risks and concerns, taking into account:</p> <ul style="list-style-type: none"> • The company's current disclosure of relevant policies, initiatives, oversight mechanisms, and water usage metrics; • Whether or not the company's existing water-related policies and practices are consistent with relevant internationally recognized standards and national/local regulations; • The potential financial impact or risk to the company associated with water-related concerns or issues; and • Recent, significant company controversies, fines, or litigation regarding water use by the company and its suppliers.
	<p><u>Equator Principles</u></p> <p>No corresponding provision</p>	<p><u>Equator Principles</u></p> <p>The Equator Principles are the financial industry's benchmark for determining, assessing and managing social and environmental risk in project financing. First launched in June 2003, the Principles were ultimately adopted by over forty financial institutions over a three-year implementation period. Since their adoption, the Principles have undergone a number of revisions, expanding the use of performance standards and signatory banks' commitments to social responsibility, including human rights, climate change, and transparency. The fourth iteration of the Principles was launched in November 2019, incorporating amendments and new commitment to human rights, climate change, Indigenous Peoples and biodiversity-related topics. Financial institutions adopt these principles to ensure that the projects they finance are developed in a socially responsible manner and reflect sound environmental management practices. As of 2019, 101 financial institutions have officially adopted the Equator Principles.</p> <p>Climate Policy Recommendation: Vote for shareholder proposals to study or implement the Equator Principles.</p>

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p><u>Renewable Energy</u></p> <p>General Recommendation: Generally vote for requests for reports on the feasibility of developing renewable energy resources unless the report would be duplicative of existing disclosure or irrelevant to the company’s line of business.</p> <p>Generally vote against proposals requesting that the company invest in renewable energy resources. Such decisions are best left to management’s evaluation of the feasibility and financial impact that such programs may have on the company.</p> <p>Generally vote against proposals that call for the adoption of renewable energy goals, taking into account:</p> <ul style="list-style-type: none"> • The scope and structure of the proposal; • The company’s current level of disclosure on renewable energy use and GHG emissions; and <p>The company’s disclosure of policies, practices, and oversight implemented to manage GHG emissions and mitigate climate change risks.</p>	<p><u>Renewable Energy</u></p> <p>Climate Policy Recommendation: Generally vote for requests for reports on the feasibility of developing renewable energy resources.</p> <p>Generally vote for proposals requesting that the company invest in renewable energy resources.</p>
<p>Social/Environmental Issues—Human Rights, Labor Issues, and International Operations</p>	<p><u>Human Rights, Labor Issues, and International Operations</u></p> <p>No corresponding provision</p>	<p><u>Human Rights, Labor Issues, and International Operations</u></p> <p>Investors, international human rights groups, and labor advocacy groups have long been making attempts to safeguard worker rights in the international marketplace. In instances where companies themselves operate factories in developing countries, for example, these advocates have asked that the companies adopt global corporate human rights standards that guarantee sustainable wages and safe working conditions for their workers abroad. Companies that contract out portions of their manufacturing operations to foreign companies have been asked to ensure that the products they receive from those contractors have not been made using forced labor, child labor, or sweatshop labor. These companies are asked to adopt formal vendor standards that, among other things, include monitoring or auditing mechanism. Globalization, relocation of production overseas, and widespread use of subcontractors and vendors, often make it difficult to obtain a</p>

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		<p>complete picture of a company’s labor practices in global markets. Many Investors believe that companies would benefit from adopting a human rights policy based on the Universal Declaration of Human Rights and the International Labor Organization’s Core Labor Standards. Efforts that seek greater disclosure on a company’s labor practices and that seek to establish minimum standards for a company’s operations will be supported. In addition, requests for independent monitoring of overseas operations will be supported.</p> <p>The Climate Policy generally supports proposals that call for the adoption and/or enforcement of principles or codes relating to countries in which there are systematic violations of human rights; such as the use of slave, child, or prison labor; a government that is illegitimate; or there is a call by human rights advocates, pro-democracy organizations, or legitimately elected representatives for economic sanctions. The use of child, sweatshop, or forced labor is unethical and can damage corporate reputations. Poor labor practices can lead to litigation against the company, which can be costly and time-consuming.</p>
	<p><u>Human Rights Proposals</u></p> <p>General Recommendation: Generally vote for proposals requesting a report on company or company supplier labor and/or human rights standards and policies unless such information is already publicly disclosed.</p> <p>Vote case-by-case on proposals to implement company or company supplier labor and/or human rights standards and policies, considering:</p> <ul style="list-style-type: none"> • The degree to which existing relevant policies and practices are disclosed; • Whether or not existing relevant policies are consistent with internationally recognized standards; • Whether company facilities and those of its suppliers are monitored and how; • Company participation in fair labor organizations or other internationally recognized human rights initiatives; 	<p><u>Human Rights Proposals</u></p> <p>Climate Policy Recommendation:</p> <ul style="list-style-type: none"> • Generally vote for proposals requesting a report on company or company supplier labor and/or human rights standards and policies. • Vote for shareholder proposals to implement human rights standards and workplace codes of conduct. • Vote for shareholder proposals calling for the implementation and reporting on ILO codes of conduct, SA 8000 Standards, or the Global Sullivan Principles. • Vote for shareholder proposals that call for the adoption and/or enforcement of principles or codes relating to countries in which there are systematic violations of human rights. • Vote for shareholder proposals that call for independent monitoring programs in conjunction with local and respected religious and human rights

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	<ul style="list-style-type: none"> • Scope and nature of business conducted in markets known to have higher risk of workplace labor/human rights abuse; • Recent, significant company controversies, fines, or litigation regarding human rights at the company or its suppliers; • The scope of the request; and • Deviation from industry sector peer company standards and practices. <p>Vote case-by-case on proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process, considering:</p> <ul style="list-style-type: none"> • The degree to which existing relevant policies and practices are disclosed, including information on the implementation of these policies and any related oversight mechanisms; • The company's industry and whether the company or its suppliers operate in countries or areas where there is a history of human rights concerns; • Recent significant controversies, fines, or litigation regarding human rights involving the company or its suppliers, and whether the company has taken remedial steps; and • Whether the proposal is unduly burdensome or overly prescriptive. 	<p>groups to monitor supplier and licensee compliance with codes.</p> <ul style="list-style-type: none"> • Vote for shareholder proposals that seek publication of a "Code of Conduct" to the company's foreign suppliers and licensees, requiring they satisfy all applicable standards and laws protecting employees' wages, benefits, working conditions, freedom of association, and other rights. • Vote for shareholder proposals seeking reports on, or the adoption of, vendor standards including: reporting on incentives to encourage suppliers to raise standards rather than terminate contracts and providing public disclosure of contract supplier reviews on a regular basis. • Vote for shareholder proposals to adopt labor standards for foreign and domestic suppliers to ensure that the company will not do business with foreign suppliers that manufacture products for sale using forced labor, child labor, or that fail to comply with applicable laws protecting employee's wages and working conditions. • Vote for proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process.
COVID-19	<p><u>Health Pandemics</u></p> <p>No corresponding provision</p>	<p><u>Health Pandemics</u></p> <p>Climate Policy Recommendation: Vote case-by-case on requests for reports outlining the impact of health pandemics (such as HIV/AIDS, malaria, tuberculosis, and avian flu) on the company's operations and how the company is responding to the situation, taking into account:</p> <ul style="list-style-type: none"> • The scope of the company's operations in the affected/relevant area(s); • The company's existing healthcare policies, including benefits and healthcare access; and • Company donations to relevant healthcare providers. <p>Vote against proposals asking companies to establish, implement, and</p>

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		report on a standard of response to health pandemics (such as HIV/AIDS, malaria, tuberculosis, and avian flu), unless the company has significant operations in the affected markets and has failed to adopt policies and/or procedures to address these issues comparable to those of industry peers.
Social/Environmental Issues—Diversity	<p><u>Equality of Opportunity</u></p> <p>General Recommendation: Generally vote for proposals requesting a company disclose its diversity policies or initiatives, or proposals requesting disclosure of a company’s comprehensive workforce diversity data, including requests for EEO-1 data, unless:</p> <ul style="list-style-type: none"> • The company publicly discloses equal opportunity policies and initiatives in a comprehensive manner; • The company already publicly discloses comprehensive workforce diversity data; and • The company has no recent significant EEO-related violations or litigation. <p>Generally vote against proposals seeking information on the diversity efforts of suppliers and service providers. Such requests may pose a significant burden on the company.</p>	<p><u>Equality of Opportunity</u></p> <p>Climate Policy Recommendation: Generally vote for proposals requesting a company disclose its diversity policies or initiatives, or proposals requesting disclosure of a company’s comprehensive workforce diversity data, including requests for EEO-1 data.</p> <p>Generally vote FOR proposals seeking information on the diversity efforts of suppliers and service providers.</p>
	<p><u>MacBride Principles</u></p> <p>No corresponding provision</p>	<p><u>MacBride Principles</u></p> <p>These resolutions have called for the adoption of the MacBride Principles for operations located in Northern Ireland. They request companies operating abroad to support the equal employment opportunity policies that apply in facilities they operate domestically. The principles were established to address the sectarian hiring problems between Protestants and Catholics in Northern Ireland. It is well documented that Northern Ireland’s Catholic community faced much higher unemployment figures than the Protestant community. In response to this problem, the U.K. government instituted the New Fair Employment Act of 1989 (and subsequent amendments) to address the sectarian hiring problems.</p> <p>Many companies believe that the Act adequately addresses the problems and that further action, including adoption of</p>

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		<p>the MacBride Principles, only duplicates the efforts already underway. In evaluating a proposal to adopt the MacBride Principles, shareholders must decide whether the principles will cause companies to divest, and therefore worsen the unemployment problem, or whether the principles will promote equal hiring practices. Proponents believe that the Fair Employment Act does not sufficiently address the sectarian hiring problems. They argue that the MacBride Principles serve to stabilize the situation and promote further investment.</p> <p>Climate Policy Recommendation: Support the MacBride Principles for operations in Northern Ireland that request companies to abide by equal employment opportunity policies.</p>
<p>Social/Environmental Issues—General</p>	<p><u>Global Approach</u></p> <p>Issues covered under the policy include a wide range of topics, including consumer and product safety, environment and energy, labor standards and human rights, workplace and board diversity, and corporate political issues. While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may enhance or protect shareholder value in either the short or long term.</p> <p>General Recommendation: Generally vote case-by-case, examining primarily whether implementation of the proposal is likely to enhance or protect shareholder value. The following factors will be considered:</p> <ul style="list-style-type: none"> • If the issues presented in the proposal are more appropriately or effectively dealt with through legislation or government regulation; • If the company has already responded in an appropriate and sufficient manner to the issue(s) raised in the proposal; • Whether the proposal’s request is unduly burdensome (scope or time frame) or overly prescriptive; • The company’s approach compared with any industry standard practices for addressing the issue(s) raised by the proposal; • Whether there are significant controversies, fines, penalties, or 	<p><u>Global Approach</u></p> <p>Socially responsible shareholder resolutions receive a great deal more attention from institutional shareholders today than in the past. While focusing on value enhancement through risk mitigation and exposure to new sustainability-related opportunities, these resolutions also seek standardized reporting on ESG issues, request information regarding an issuer’s adoption of, or adherence to, relevant norms, standards, codes of conduct or universally recognized international initiatives to promote disclosure and transparency.</p> <p>ISS’ Climate Policy generally supports standards-based ESG shareholder proposals that enhance long-term shareholder and stakeholder value while aligning the interests of the company with those of society at large. In particular, the policy will focus on resolutions seeking greater transparency and/or adherence to internationally recognized standards and principles.</p> <p>Climate Policy Recommendation: In determining our vote recommendation on standardized ESG reporting shareholder proposals, we also analyze the following factors:</p> <ul style="list-style-type: none"> • Whether the proposal itself is well framed and reasonable;

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p>litigation associated with the company's environmental or social practices;</p> <ul style="list-style-type: none"> • If the proposal requests increased disclosure or greater transparency, whether reasonable and sufficient information is currently available to shareholders from the company or from other publicly available sources; and • If the proposal requests increased disclosure or greater transparency, whether implementation would reveal proprietary or confidential information that could place the company at a competitive disadvantage. 	<ul style="list-style-type: none"> • Whether adoption of the proposal would have either a positive or negative impact on the company's short-term or long-term share value; • The percentage of sales, assets and earnings affected; • Whether the company has already responded in some appropriate manner to the request embodied in a proposal; • Whether the company's analysis and voting recommendation to shareholders is persuasive; • Whether there are significant controversies, fines, penalties, or litigation associated with the company's environmental or social practices; • What other companies have done in response to the issue addressed in the proposal; • Whether implementation of the proposal would achieve the objectives sought in the proposal; and • The degree to which the company's stated position on the issues raised in the proposal could affect its reputation or sales, or leave it vulnerable to a boycott or selective purchasing.
	<p><u>Consumer Lending</u></p> <p>No corresponding provision</p>	<p><u>Consumer Lending</u></p> <p>Climate Policy Recommendation: Vote case-by-case on requests for reports on the company's lending guidelines and procedures taking into account:</p> <ul style="list-style-type: none"> • Whether the company has adequately disclosed mechanisms in place to prevent abusive lending practices; • Whether the company has adequately disclosed the financial risks of the lending products in question; • Whether the company has been subject to violations of lending laws or serious lending controversies; and • Peer companies' policies to prevent abusive lending practices.
	<p><u>Product Safety and Toxic/Hazardous Materials</u></p> <p>General Recommendation: Generally vote for proposals requesting that a company report on its policies, initiatives/procedures, and oversight mechanisms related to</p>	<p><u>Product Safety and Toxic/Hazardous Materials</u></p> <p>Climate Policy Recommendation: Generally vote for proposals requesting that a company report on its policies, initiatives/procedures, and oversight mechanisms related to toxic/hazardous</p>

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	<p>toxic/hazardous materials or product safety in its supply chain, unless:</p> <ul style="list-style-type: none"> • The company already discloses similar information through existing reports such as a supplier code of conduct and/or a sustainability report; • The company has formally committed to the implementation of a toxic/hazardous materials and/or product safety and supply chain reporting and monitoring program based on industry norms or similar standards within a specified time frame; and • The company has not been recently involved in relevant significant controversies, fines, or litigation. <p>Vote case-by-case on resolutions requesting that companies develop a feasibility assessment to phase out of certain toxic/hazardous materials, or evaluate and disclose the potential financial and legal risks associated with utilizing certain materials, considering:</p> <ul style="list-style-type: none"> • The company's current level of disclosure regarding its product safety policies, initiatives, and oversight mechanisms; • Current regulations in the markets in which the company operates; and • Recent significant controversies, litigation, or fines stemming from toxic/hazardous materials at the company. <p>Generally vote against resolutions requiring that a company reformulate its products.</p>	<p>materials or product safety in its supply chain.</p> <p>Generally vote for resolutions requesting that companies develop a feasibility assessment to phase-out of certain toxic/hazardous materials, or evaluate and disclose the potential financial and legal risks associated with utilizing certain materials.</p> <p>Generally vote against resolutions requiring that a company reformulate its products.</p>
Social/Environmental Issues—General Corporate Issues	<p><u>Environmental, Social, and Governance (ESG) Compensation-Related Proposals</u></p> <p>General Recommendation: Vote case-by-case on proposals to link, or report on linking, executive compensation to sustainability (environmental and social) criteria, considering:</p> <ul style="list-style-type: none"> • The scope and prescriptive nature of the proposal; • Whether the company has significant and/or persistent controversies or regulatory violations regarding social and/or environmental issues; • Whether the company has management systems and oversight mechanisms in 	<p><u>Environmental, Social, and Governance (ESG) Compensation-Related Proposals</u></p> <p>Climate Policy Recommendation: Generally vote for proposals to link, or report on linking, executive compensation to environmental and social criteria (such as corporate downsizings, customer or employee satisfaction, community involvement, human rights, environmental performance, or predatory lending).</p>

SULLIVAN & CROMWELL LLP

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p>place regarding its social and environmental performance;</p> <ul style="list-style-type: none"> • The degree to which industry peers have incorporated similar non-financial performance criteria in their executive compensation practices; and • The company's current level of disclosure regarding its environmental and social performance. 	
	<p><u>Endorsement of Principles</u></p> <p>General Recommendation: Generally vote against proposals seeking a company's endorsement of principles that support a particular public policy position. Endorsing a set of principles may require a company to take a stand on an issue that is beyond its own control and may limit its flexibility with respect to future developments. Management and the board should be afforded the flexibility to make decisions on specific public policy positions based on their own assessment of the most beneficial strategies for the company.</p>	<p><u>Endorsement of Principles</u></p> <p>No corresponding provision</p>
Voting on Director Nominees in Uncontested Elections	<p><u>Diversity:</u> For companies in the Russell 3000 or S&P 1500 indices, generally vote against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) at companies where there are no women on the company's board. Mitigating factors include:</p> <ul style="list-style-type: none"> • Until Feb. 1, 2021, a firm commitment, as stated in the proxy statement, to appoint at least one woman to the board within a year; • The presence of a woman on the board at the preceding annual meeting and a firm commitment to appoint at least one woman to the board within a year; or • Other relevant factors as applicable. 	<p><u>Diversity:</u> Generally vote against or withhold from incumbent nominees who:</p> <ul style="list-style-type: none"> • Serve as the chair of the nominating committee if there is not at least one woman on the board. If the chair of the nominating committee is not identified, generally vote against or withhold from incumbent members of the nominating committee. • Serve as the board chair if there is not at least one woman on the board and the board lacks a formal nominating committee.
	<p><u>Problematic Compensation Practices</u></p> <p>In the absence of an Advisory Vote on Executive Compensation (Say on Pay) ballot item or in egregious situations, vote against or withhold from the members of the Compensation Committee and potentially the full board if:</p> <ul style="list-style-type: none"> • There is an unmitigated misalignment between CEO pay and company performance (pay for performance); 	<p><u>Problematic Compensation Practices</u></p> <p>In the absence of an Advisory Vote on Executive Compensation (Say on Pay) ballot item or in egregious situations, vote against or withhold from the members of the compensation committee and potentially the full board if:</p> <ul style="list-style-type: none"> • There is an unmitigated misalignment between CEO pay and company performance (pay for performance);

SULLIVAN & CROMWELL LLP

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<ul style="list-style-type: none"> The company maintains significant problematic pay practices; or The board exhibits a significant level of poor communication and responsiveness to shareholders. <p>Generally vote against or withhold from the Compensation Committee chair, other committee members, or potentially the full board if:</p> <ul style="list-style-type: none"> The company fails to include a Say on Pay ballot item when required under SEC provisions, or under the company's declared frequency of say on pay; or The company fails to include a Frequency of Say on Pay ballot item when required under SEC provisions. <p>Generally vote against members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (i.e., two or more years) of awarding excessive non-employee director compensation without disclosing a compelling rationale or other mitigating factors.</p>	<ul style="list-style-type: none"> The company maintains significant problematic pay practices; The board exhibits a significant level of poor communication and responsiveness to shareholders; The company fails to include a Say on Pay ballot item when required under SEC provisions, or under the company's declared frequency of say on pay; or The company fails to include a Frequency of Say on Pay ballot item when required under SEC provisions. <p>Generally vote against members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (i.e., two or more years) of awarding excessive non-employee director compensation without disclosing a compelling rationale or other mitigating factors.</p>
Other Board-Related Proposals	<p><u>Independent Board Chair</u></p> <p>General Recommendation: Generally vote for shareholder proposals requiring that the board chair position be filled by an independent director, taking into consideration the following:</p> <ul style="list-style-type: none"> The scope and rationale of the proposal; The company's current board leadership structure; The company's governance structure and practices; Company performance; and Any other relevant factors that may be applicable. <p>The following factors will increase the likelihood of a "for" recommendation:</p> <ul style="list-style-type: none"> A majority non-independent board and/or the presence of non-independent directors on key board committees; A weak or poorly defined lead independent director role that fails to serve as an appropriate counterbalance to a combined CEO/chair role; The presence of an executive or non-independent chair in addition to the 	<p><u>Independent Board Chair</u></p> <p>One of the principal functions of the board is to monitor and evaluate the performance of the CEO and other executive officers. The board chair's duty to oversee management may be compromised when he/she is connected to or a part of the management team. Generally, the Climate Policy recommends supporting shareholder proposals that would require that the position of board chair be held by an individual with no material ties to the company other than their board seat.</p> <p>Climate Policy Recommendation: Generally, support shareholder proposals that would require the board chair to be independent of management.</p>

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	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p>CEO, a recent recombination of the role of CEO and chair, and/or departure from a structure with an independent chair;</p> <ul style="list-style-type: none"> • Evidence that the board has failed to oversee and address material risks facing the company; • A material governance failure, particularly if the board has failed to adequately respond to shareholder concerns or if the board has materially diminished shareholder rights; or • Evidence that the board has failed to intervene when management's interests are contrary to shareholders' interests. 	
Shareholder Rights & Defenses	<p><u>Amend Bylaws without Shareholder Consent</u></p> <p>General Recommendation: Vote against proposals giving the board exclusive authority to amend the bylaws.</p> <p>Vote case-by-case on proposals giving the board the ability to amend the bylaws in addition to shareholders, taking into account the following:</p> <ul style="list-style-type: none"> • Any impediments to shareholders' ability to amend the bylaws (i.e., supermajority voting requirements); • The company's ownership structure and historical voting turnout; • Whether the board could amend bylaws adopted by shareholders; and • Whether shareholders would retain the ability to ratify any board-initiated amendments. 	<p><u>Amend Bylaws without Shareholder Consent</u></p> <p>Climate Policy Recommendation: Vote against proposals giving the board exclusive authority to amend the bylaws.</p> <p>Vote for proposals giving the board the ability to amend the bylaws in addition to shareholders.</p>
Capital/Restructuring	<p><u>Share Repurchase Programs Shareholder Proposals</u></p> <p>General Recommendation: Generally vote against shareholder proposals prohibiting executives from selling shares of company stock during periods in which the company has announced that it may or will be repurchasing shares of its stock. Vote for the proposal when there is a pattern of abuse by executives exercising options or selling shares during periods of share buybacks.</p>	<p><u>Share Repurchase Programs Shareholder Proposals</u></p> <p>No corresponding provision</p>
Equity-Based and Other Incentive Plans	<p><u>Plan Cost</u></p> <p>No corresponding provision</p>	<p><u>Plan Cost</u></p> <p>Climate Policy Recommendation: Generally vote against equity plans if the cost is unreasonable. For non-employee director plans, vote for the plan if certain</p>

	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p><u>Repricing Provisions</u></p> <p>Vote against plans that expressly permit the repricing or exchange of underwater stock options/stock appreciate rights (SARs) without prior shareholder approval. “Repricing” typically includes the ability to do any of the following:</p> <ul style="list-style-type: none"> • Amend the terms of outstanding options or SARs to reduce the exercise price of such outstanding options or SARs; • Cancel outstanding options or SARs in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs; • Cancel underwater options in exchange for stock awards; or • Provide cash buyouts of underwater options. <p>While the above cover most types of repricing, ISS may view other provisions as akin to repricing depending on the facts and circumstances.</p> <p>Also, vote against or withhold from members of the Compensation Committee who approved repricing (as defined above or otherwise determined by ISS), without prior shareholder approval, even if such repricings are allowed in their equity plan.</p> <p>Vote against plans that do not expressly prohibit repricing or cash buyout of underwater options without shareholder approval if the company has a history of repricing/buyouts without shareholder approval, and the applicable listing standards would not preclude them from doing so.</p>	<p>factors are met (see Director Compensation section).</p> <p><u>Repricing Provisions</u></p> <p>Vote against plans that expressly permit the repricing or exchange of underwater stock options/stock appreciate rights (SARs) without prior shareholder approval. “Repricing” includes the ability to do any of the following:</p> <ul style="list-style-type: none"> • Amend the terms of outstanding options or SARs to reduce the exercise price of such outstanding options or SARs; • Cancel outstanding options or SARs in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs. <p>Also, vote against or withhold from members of the Compensation Committee who approved and/or implemented a repricing or an option/SAR exchange program, by buying out underwater options/SARs for stock, cash or other consideration or canceling underwater options/SARs and regranting options/SARs with a lower exercise price, without prior shareholder approval, even if such repricings are allowed in their equity plan.</p> <p>Vote against plans that do not expressly prohibit repricing or cash buyout of underwater options without shareholder approval if the company has a history of repricing/buyouts without shareholder approval, and the applicable listing standards would not preclude them from doing so.</p>
	<p><u>Problematic Pay Practices or Significant Pay-for-Performance Disconnect</u></p> <p>If the equity plan on the ballot is a vehicle for problematic pay practices, vote against the plan.</p> <p>ISS may recommend a vote against the equity plan if the plan is determined to be a vehicle for pay-for-performance misalignment. Considerations in voting against the equity plan may include, but are not limited to:</p>	<p><u>Problematic Pay Practices or Significant Pay-for-Performance Disconnect</u></p> <p>If the equity plan on the ballot is a vehicle for problematic pay practices, vote against the plan.</p> <p>If a significant portion of the CEO’s misaligned pay is attributed to non-performance-based equity awards, and there is an equity plan on the ballot with the CEO as one of the participants, Climate Advisory Services may recommend a vote against the equity</p>

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	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<ul style="list-style-type: none"> Severity of the pay-for-performance misalignment; Whether problematic equity grant practices are driving the misalignment; and/or Whether equity plan awards have been heavily concentrated to the CEO and/or the other NEOs. 	<p>plan. Considerations in voting against the equity plan may include, but are not limited to:</p> <ul style="list-style-type: none"> Magnitude of pay misalignment; Contribution of non-performance-based equity grants to overall pay; and The proportion of equity awards granted in the last three fiscal years concentrated at the named executive officer level.
Director Compensation	<p><u>Disclosure/Setting Levels or Types of Compensation for Executives and Directors</u></p> <p>General Recommendation: Generally vote for shareholder proposals seeking additional disclosure of executive and director pay information, provided the information requested is relevant to shareholders' needs, would not put the company at a competitive disadvantage relative to its industry, and is not unduly burdensome to the company.</p> <p>Generally vote against shareholder proposals seeking to set absolute levels on compensation or otherwise dictate the amount or form of compensation (such as types of compensation elements or specific metrics) to be used for executives or directors.</p> <p>Generally vote against shareholder proposals that mandate a minimum amount of stock that directors must own in order to qualify as a director or to remain on the board.</p> <p>Vote case-by-case on all other shareholder proposals regarding executive and director pay, taking into account relevant factors, including but not limited to: company performance, pay level and design versus peers, history of compensation concerns or pay-for-performance disconnect, and/or the scope and prescriptive nature of the proposal.</p>	<p><u>Disclosure/Setting Levels or Types of Compensation for Executives and Directors</u></p> <p>Climate Policy Recommendation: Generally vote for shareholder proposals seeking additional disclosure of executive and director pay information, provided the information requested is relevant to shareholders' needs, would not put the company at a competitive disadvantage relative to its industry, and is not unduly burdensome to the company.</p> <p>Vote against shareholder proposals seeking to set absolute levels on compensation or otherwise dictate the amount or form of compensation.</p> <p>Vote against shareholder proposals seeking to eliminate stock options or any other equity grants to employees or directors.</p> <p>Vote against shareholder proposals requiring director fees be paid in stock only.</p> <p>Generally vote against shareholder proposals that mandate a minimum amount of stock that directors must own in order to qualify as a director or to remain on the board.</p> <p>Vote case-by-case on all other shareholder proposals regarding executive and director pay, taking into account company performance, pay level versus peers, pay level versus industry, and long-term corporate outlook.</p>
	<p><u>Pay Disparity</u></p> <p>General Recommendation: Vote case-by-case on proposals calling for an analysis of</p>	<p><u>Pay Disparity</u></p> <p>Climate Policy Recommendation: Generally vote case-by-case on</p>

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	U.S. Proxy Voting Guidelines (Benchmark Policy Recommendations)	U.S. Climate Proxy Voting Guidelines (2020 Policy Recommendations)
	<p>the pay disparity between corporate executives and other non-executive employees. The following factors will be considered:</p> <ul style="list-style-type: none"> • The company’s current level of disclosure of its executive compensation setting process, including how the company considers pay disparity; • If any problematic pay practices or pay-for-performance concerns have been identified at the company; and • The level of shareholder support for the company’s pay programs. <p>Generally vote against proposals calling for the company to use the pay disparity analysis or pay ratio in a specific way to set or limit executive pay.</p>	<p>proposals calling for an analysis of the pay disparity between corporate executives and other non-executive employees.</p>
Foreign Private Issuers Listed on U.S. Exchanges	No corresponding provision	<p>Climate Policy Recommendation: Vote against (or withhold from) non-independent director nominees at companies which fail to meet the following criteria: a majority-independent board, and the presence of an audit, a compensation, and a nomination committee, each of which is entirely composed of independent directors.</p> <p>Where the design and disclosure levels of equity compensation plans are comparable to those seen at U.S. companies, U.S. compensation policy will be used to evaluate the compensation plan proposals. Otherwise, they, and all other voting items, will be evaluated using the relevant Climate Advisory Services’ regional or market proxy voting guidelines.</p>