



WARREN WILSON COLLEGE

2023 SHAREHOLDER ENGAGEMENT BRIEFING PAPER



Intentional
Endowments
Network



Warren Wilson
COLLEGE

INTRODUCTION

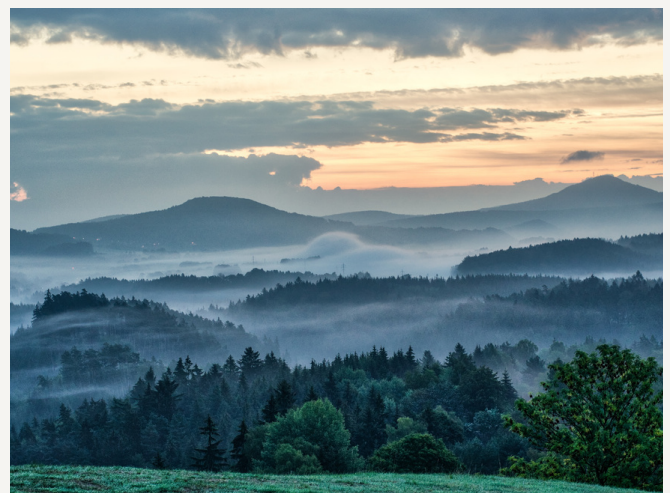
Warren Wilson College (WWC), a liberal arts college in North Carolina, has focused on applying environmental and social equity lenses to the management of its endowment since 2015. This includes publicly committing to divest from fossil fuels, integrating environmental, social, and governance (ESG) factors into the investment process, and committing to invest with diverse asset managers.

In 2019, WWC began actively engaging with portfolio companies to expand the positive societal and environmental impact of its investments, while also reducing risks and maximizing returns in its endowment portfolio. You can read a background on WWC's work implementing sustainable investing strategies, with a focus on how they began to approach shareholder engagement, in IEN's 2020 resource: [Active Ownership in the Endowment: Warren Wilson College Case Study](#)¹.

In the 2021-2022 engagement season, WWC authorized a non-profit partner of IEN, *As You Sow*, to enter into dialogue and submit shareholder resolutions to companies WWC invested in.

WWC also began using the ESG-aligned proxy voting service *As You Vote*, contributing to majority votes on multiple shareholder proposals. You can read more about WWC's successes last engagement season, as well as further detail on the mechanics of their direct engagement and proxy voting work, in IEN's 2022 resource: [Briefing Paper: Warren Wilson College, Impacting How Companies Do Business](#)².

During the 2022-2023 engagement season (fall of 2022 through end of June of 2023), WWC again authorized *As You Sow* to engage with WWC portfolio companies on their behalf. WWC authorized a total of 57 engagements (See Figure One), and voted over 1000 proxy ballot line items.

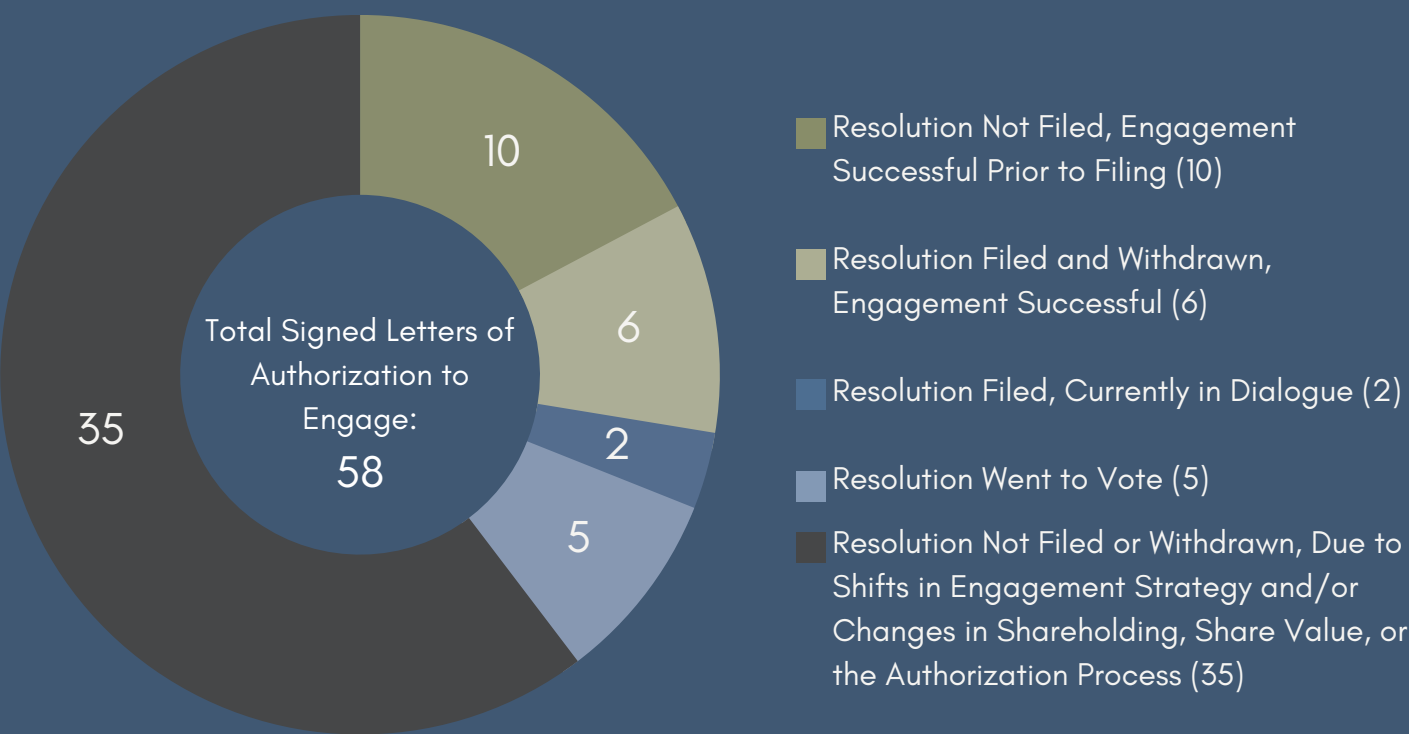


DIRECT ENGAGEMENT

During the 2022-2023 engagement season (fall of 2022 through end of June 2023), the WWC ESG Committee and administration agreed to engage with almost 60 companies (close to double the previous year’s authorized engagements), which resulted in WWC’s CFO signing 58 letters of authorization on behalf of WWC (See Figure Two). These letters allowed *As You Sow* (and in one case, Arjuna Capital) to enter into dialogue and submit shareholder resolutions to companies WWC invested in through their separately managed accounts (SMA) on issues related to climate change, racial justice and diversity, equity and inclusion.

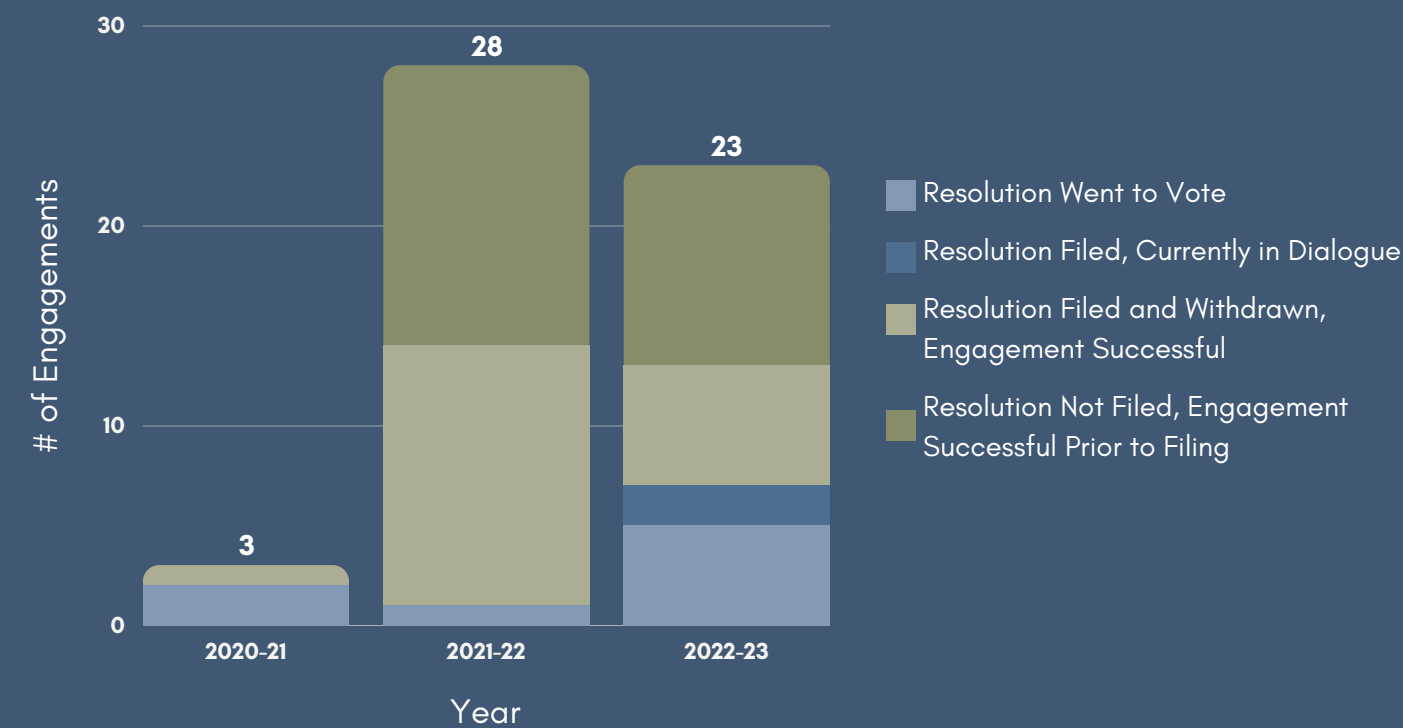
Of those 58 signed letters of authorization to engage, *As You Sow* did not file 10 of the resolutions, as dialogue with each company prior to filing led to an agreement *As You Sow* found to sufficiently address the request within each resolution. *As You Sow* filed resolutions with 13 of the authorized companies listing WWC as a lead or co filer. Following the filing of the resolutions, *As You Sow* engaged in dialogue with each company. Dialogue with 6 of the 13 companies where resolutions were filed led to impactful agreements that addressed the resolution request sufficiently, leading to *As You Sow* withdrawing the resolution before each company’s Annual General Meeting (AGM), where the resolution would go to a vote. Dialogue with 5 companies (including the one engagement WWC authorized with Arjuna Capital) went to a vote: Chubb, Comcast, Kroger, Constellation Brands, and Travelers.

FIGURE ONE: Engagement Outcome at Companies Where WWC Signed Letters of Authorization



While none of the resolutions that went to a vote received majority support, there was strong support by independent shareholders for the engaged companies to address environmental, social, and governance issues. These engagements have increased awareness, elevated the narrative, and been a valuable expansion on WWC’s previous years of shareholder engagement work.

FIGURE TWO: Annual Outcome of Engagements That Progressed Past Authorization



The resolutions filed with Cintas and Coty regarding diversity data disclosure and sustainable packaging, respectively, are printed on each company’s proxy statement and expected to go to a vote in fall 2023. See Appendix A for a full list of companies where WWC filed or co-filed a shareholder resolution, resolution topic, & resolution status.

SHAREHOLDER RESOLUTION HIGHLIGHT: REDUCING GREENHOUSE GAS EMISSIONS



Under the Paris Agreement in 2015, world powers agreed to decrease greenhouse gas emissions to slow the effects of climate change and limit the average global temperature increase to around 1.5°C. While many countries signed on to the Paris Accord, some of the world's largest contributors to climate change are companies.

Chubb Limited is a publicly traded global company that provides insurance and reinsurance, and has not adopted Paris aligned emission reduction goals for its insured and invested emissions. Other competitors have committed to transition to a net-zero economy, including the twenty-eight global insurers that have joined the UN's Net Zero Insurance Alliance³.

Climate change poses a notable risk to companies, specifically through the corresponding uptick in natural disasters. This can result in significant losses to insurance companies in particular through increased claims as well as direct impacts to people and property.

In 2023, Warren Wilson College (WWC) was lead filer on a proposal requesting Chubb report on their plans to set and reach medium and long-term GHG reduction targets aligned with a 1.5°C temperature increase⁴. This ask specifically applied to Chubb's underwriting, insuring, and investment activities. The resolution went to a vote in May 2023, with nearly 30% of shareholders support the proposal. This strong investor support indicates a powerful call to action, and meets the threshold for resubmission, so that engagement may continue next season.

Danielle Fugere, president of *As You Sow*, emphasizes the importance of raising these issues. "Twenty climate-related weather disasters a year, with losses exceeding \$1 billion each, has become the new normal. Insurance companies in states most vulnerable to climate change are becoming insolvent. It is time for insurance companies to address the contradictions of enabling high carbon activities while paying for catastrophic losses."

SHAREHOLDER RESOLUTION HIGHLIGHT: ADDRESSING RACIST POLICE BRUTALITY

Warren Wilson College authorized Arjuna Capital to, on the College's behalf, co-file a resolution asking Travelers Insurance to "report on current company policies, and options for changes to such policies, to help ensure its insurance offerings reduce and do not increase the potential for racist police brutality"⁵.

The proposal, which around 11% of shareholders voted in favor of, asks for Travelers' to "disclose policies or programs to reduce the risk of racist police brutality, including training, education, or audits".

As Travelers is one of the leading commercial providers of law enforcement liability insurance, it's uniquely situated to abate racist police brutality by, for example, working with police departments on policies and training to increase accountability⁶. Julia Cedarholm of Arjuna Capital makes clear this ask is rooted in financial materiality, stating "Through its insurance offerings, Travelers has substantial influence over law enforcement departments that it can leverage to curb racist police brutality. Not only are these incidents unjust, but it also is financially and reputationally costly for Travelers to continue insuring this behavior."

Police misconduct lawsuits have cost over 3.2 billion dollars in settlements in the largest police jurisdictions over the past decade⁷. These types of settlement payments primarily come from insurance companies and tax payers, not from the personal bank accounts of the perpetrators. Not only are these incidents blatantly unacceptable, they also have a clear negative financial impact on the companies insuring these municipal police departments.



PROXY VOTING

Warren Wilson College started using As You Vote as their proxy voting service in 2021, and continued to engage in ESG-aligned proxy voting using the service in 2022 ⁸.

This engagement season, from July 1, 2022 to June 30, 2023, 1090 proxy ballots were cast at 1067 companies across 8 countries on behalf of Warren Wilson College. Of these votes, 42.9% were aligned with management and 57.06% were against management.

The total votes cast for this engagement season were 12,160 which is comparable to last year's tally of about 13,000. A significant portion of these were votes on shareholder presented proposals, the majority of which were supported by WWC.

LOOKING FORWARD

The decrease in positive outcomes for all engagements WWC authorized is a part of a larger trend in the field. There was an overall decline in votes in favor of environmental and social proposals this past year. This shift can be attributed to two main things: the politicization of ESG, and the bigger asks associated with these proposals, asking companies to go beyond disclosure and goal setting, to reporting on progress.

Even with these shifts in the space, in the 2023 engagement season, *As You Sow* describes a 70% success rate for ESG related proposals not filed or withdrawn, as well as a 90% success rate for voted resolutions- meaning that they are passed or eligible for resubmission⁹. While these numbers are lower than previous years, they are still indicative of overall support and progress.

Warren Wilson College plans to work with The Intentional Endowments Network and As You Sow in the upcoming engagement season to continue to build upon this leading work.



ACKNOWLEDGEMENTS

Warren Wilson College's engagement work is a collective effort made possible through partnerships with the Intentional Endowments Network and *As You Sow*. The following people have played critical roles in both the implementation of the work outlined in this briefing paper, and the writing and review of this document:

Gail Follansbee, Shareholder Relations Manager, As You Sow

Rachel Lowy, Shareholder Relations Coordinator, As You Sow

Anthony Rust, Investment Committee Chair, Warren Wilson College

Nicole Torrico, Managing Director, Intentional Endowments Network

Julianna Trimboli, Sustainable Investing Intern, Intentional Endowments Network

ABOUT IEN

The logo for the Intentional Endowments Network is a dark green square with the text "Intentional Endowments Network" in white, sans-serif font, stacked in three lines.

**Intentional
Endowments
Network**

The Intentional Endowments Network (IEN) is a peer learning network of colleges, universities, and other mission-driven institutional investors working together to achieve their risk and return objectives through investment actions that create a thriving, sustainable economy. IEN has more than 200 network members including endowments, asset managers, investment consultants, nonprofit partners, and individuals.

FOOTNOTES & PHOTO SOURCES

FOOTNOTES

1. https://www.intentionalendowments.org/warren_wilson_case_study
2. https://www.intentionalendowments.org/briefing_paper_wwc
3. <https://www.unepfi.org/net-zero-insurance/>
4. <https://www.asyousow.org/press-releases/2023/5/19/shareholders-support-climate-resolutions-chubb-berkshire>
5. <https://www.law360.com/insurance-authority/articles/1682295/police-brutality-poses-moral-hazard-for-insurance-investors>
6. <https://www.usccr.gov/files/pubs/2018/11-15-Police-Force.pdf>
7. <https://www.washingtonpost.com/investigations/interactive/2022/police-misconduct-repeated-settlements/>
8. Learn more about As You Vote here:
https://www.intentionalendowments.org/as_you_vote
9. https://capitalmonitor.ai/asset-class/equity/was-there-an-esg-backlash-this-proxy-season/?utm_campaign=ESG&utm_medium=email&_hsmi=267666812&_hsenc=p2ANqtz-_o6SXbgrVwsK1VJeF-1HWeaJFPXcAhyHsgPesOOG0IM9rae1ltwq70YD9ucJgMGduT24VOC1N_jWfe_NnYaX7lvfD0ow&utm_content=267666812&utm_source=hs_email

PHOTO SOURCES

- Page 1: WWC Campus, <https://www.cappex.com/colleges/warren-wilson-college>
- Page 2: Unsplash Image by Jan Zikán
- Page 5: WWC Campus, <https://www.warren-wilson.edu/2017/11/20/applying-warren-wilson-college-helps-someone-need/>
- Page 6: WWC Campus, <https://www.warren-wilson.edu/2017/11/20/applying-warren-wilson-college-helps-someone-need/>
- Page 7: WWC Campus, <https://www.warren-wilson.edu/2019/07/22/industrial-hemp-planted-on-college-land/>

APPENDIX

TABLE 1.A: Companies Where WWC Signed Letters of Authorization, Leading to Filing or Co-Filing a Shareholder Resolution

COMPANY	SUBJECT LINE	RESOLUTION STATUS	RESOLUTION STATUS DETAILS
CHUBB LTD	Disclose and reduce GHG emissions from underwriting, insuring, and investment activities aligned with Net Zero.	Filed, Voted, Earned 28.9% Overall Vote	LEAD FILER – Earned a 28.9% overall vote.
CINTAS CORP	Greater disclosure of material corporate diversity, equity, and inclusion data.	Filed, On Proxy Statement	LEAD FILER – Resolution is expected to go to a vote on October 24, 2023.
COMCAST CORP	Report on assessing systemic climate risk from retirement plan options.	Filed, Voted, Earned 6.2% Overall Vote	CO-FILER – Earned a 6.2% overall vote = 10.2% vote of independent shareholders.
CONSTELLATION BRANDS	Producer responsibility for plastic packaging.	Filed, Voted, Earned 25.3% Overall Vote	LEAD FILER – Earned a 25.3% overall vote = 29.6% of independent shareholders.
COTY INC	Sustainable packaging policies for plastics.	Filed, On Proxy Statement	LEAD FILER – Resolution is expected to go to a vote on November 2, 2023.
EBAY INC	Greater disclosure of material corporate diversity, equity, and inclusion data.	Filed, Resolution Withdrawn, Agreement Reached	LEAD FILER – Resolution withdrawn, agreement reached. eBay agreed to release important hiring, retention, and promotion rate data by gender, race, and ethnicity categories established by the Equal Employment Opportunity Commission. The Company agreed to release these data during or before 2024.
LINDE PLC	Climate transition plan and GHG reduction goals.	Filed, Resolution Withdrawn, Agreement Reached	LEAD FILER – Resolution withdrawn, agreement reached. Linde announced that it will set a Scope 3 emissions, and, up until that time, will work to monitor Scope 3 emissions, verify methodologies, engage with supply chain partners, and identify Scope 3 reduction opportunities.

MUELLER INDUSTRIES INC	Climate transition plan and GHG reduction goals.	Filed, Resolution Withdrawn, Agreement Reached	CO-FILER - Resolution withdrawn, agreement reached. Mueller committed to publishing, before the end of 2024, long and short-term Scope 1 and 2 targets, as well as a sustainability report disclosing Scope 1, 2, and 3 absolute emissions and steps to achieve climate commitments.
T-MOBILE US INC	Greater disclosure of material corporate diversity, equity, and inclusion data.	Filed, Resolution Withdrawn, Agreement Reached	CO-FILER - Resolution withdrawn, agreement reached. T-Mobile agreed to release at least two of the three inclusion rates linked to the performance of its diversity, equity, and inclusion efforts by gender, race, and ethnicity categories established by the Equal Employment Opportunity Commission in 2025.
TEXAS ROADHOUSE INC	Eliminate deforestation from company supply chains.	Filed, Resolution Withdrawn, Agreement Reached	LEAD FILER - Resolution withdrawn, agreement reached. Texas Roadhouse disclosed the geographic origin of its beef supply and committed to further evaluate its supply chain deforestation exposure and consider additional deforestation commitments in 2023.
THE KROGER CO	Sustainable packaging policies for plastics.	Filed, Voted, Earned 31.8% Overall Vote	CO-FILER - Earned a 31.8% overall vote.
TRAVELERS	Report on current and potential company policies to avoid the increase of potential for racist police brutality and dissociate the brand with police violations of civil rights and liberties.	Filed, Voted, Earned around 11% Overall Vote	CO-FILER - Earned around 11% overall vote.
WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP	Climate transition plan and GHG reduction goals.	Filed, Resolution Withdrawn, Agreement Reached	LEAD FILER - Resolution withdrawn, agreement reached. Westinghouse Air Brake Technologies agreed to disclose Scope 3 value-chain emissions and establish operational and value-chain emission reduction targets aligned with the Paris-agreement.

TABLE 1.B: Companies Where WWC Signed Letters of Authorization, and Dialogue with each Company Prior to Filing led to an Agreement, Resolution Not Filed

COMPANY	SUBJECT LINE	RESOLUTION STATUS
GENERAL DYNAMICS CORP	Greater disclosure of material corporate diversity, equity, and inclusion data.	Not Filed- Agreement Reached
ALPHABET INC	Report on policies and practices to reduce water-related risk.	Not Filed - Dialogue Only
AUTOZONE	Climate transition plan and GHG reduction goals.	Not Filed - Dialogue Only
DOLLAR GENERAL CORP	Worker's rights.	Not Filed - Dialogue Only
EASTMAN CHEMICAL CO	Petrochemical risks: chemical recycling.	Not Filed - Dialogue Only
JM SMUCKER CO	Eliminate deforestation from company supply chains.	Not Filed - Dialogue Only
META PLATFORMS INC	Report on policies and practices to reduce water-related risk.	Not Filed - Dialogue Only
PARKER HANNIFIN CORP	Carbon offsets disclosures.	Not Filed - Dialogue Only
THE HARTFORD FINANCIAL SERVICES GROUP INC	Disclose and reduce GHG emissions from underwriting, insuring, and investment activities aligned with Net Zero.	Not Filed - Dialogue Only
WILLIAMS COMPANIES INC	Report on climate-related financial impacts on asset retirement obligations.	Not Filed - Dialogue Only