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2018-2019 Shareholder Engagement Priorities

The Tri-State Coalition for Responsible Investment (Tri-CRI) has identified the following priority areas for corporate engagement to support members and clients in their active ownership, working in collaboration with members of the Interfaith Center on Corporate Responsibility (ICCR):

Human Rights in the Supply Chain

Tri-CRI seeks to promote respect for human rights throughout corporate operations, including in owned and operated facilities and throughout global supply chains. We encourage companies to assess salient human rights risks and to adopt and implement a comprehensive Human Rights Policy. In 2018, Hershey committed to adopt a Human Rights Policy with ethical recruitment provisions as a result of our advocacy. Our 2019 engagements will focus on encouraging companies to implement and disclose on human rights due diligence in line with the UN Guiding Principles on Business and Human Rights.

Companies include: Tyson Foods, ADM, and Hershey

► Featured Initiative: Shifting Gears

In January 2018, Tri-CRI began a new investor initiative with 23 companies in the automotive sector on human rights due diligence in the automotive supply chain, with a focus on addressing child labor and forced labor. Our goal is to leverage relationships between top automakers and Tier 1 suppliers to ensure human rights are respected for workers throughout the supply chain. 14 CRI members participated in one or more of the 12 Shifting Gears dialogues held to date, demonstrating increased member interest and activity in shareholder engagement. We will continue this initiative in dialogues, partnerships, and education.

Companies include: Axalta, BASF, BMW, Bridgestone, Continental, Denso Corporation, Fiat Chrysler Automobile, Ford, General Motors, Genuine Parts Company, Goodyear, Groupe PSA, Honda, Honeywell, Johnson Controls, Lear Corporation, Nissan, Nucor, PPG, Renault, Tesla, Toyota, Volkswagen Group.

Immigration and Racial Justice

In our role as investors and people of faith, we are well positioned to encourage corporations to advocate for just immigration policies and speak out against actions that undermine the rights of immigrant and refugee communities. We also promote the adoption of business policies and practices that respect migrant rights. Tri-CRI is responding to growing concerns about the corporate role in enabling family separation and detention at the US-Mexico border by initiating engagements with companies that have business relationships with the federal government. We will continue engaging with banks on the human rights risks of financing private prison companies, which also operate immigrant detention centers, tech companies, consulting companies, and

defense contractors to encourage implementation of robust human rights due diligence and increased transparency related to how human rights risks are factored into business decisions.

Companies include: Accenture, General Dynamics, JP Morgan Chase, Microsoft, Motorola Solutions, Salesforce, and Wells Fargo.

Climate Change

Corporations play a critical role in addressing climate change, whether it is through business model transformation or investing in climate solutions. Tri-CRI seeks to center the needs of communities most vulnerable to the devastating impacts of climate change in our approach to shareholder advocacy in this space. There has been significant momentum in the investor community to address climate change, with efforts such as the Climate Action 100+ and the Task Force on Climate-Related Financial Disclosures, and Tri-CRI engages with companies in the automotive industry and energy sector on the low-carbon transition.

Yet, as faith-based investors we recognize companies must address the impacts of climate change on the poor, communities of color, indigenous groups, women, and low-lying communities, as well as consider the systemic issues such as poverty and environmental justice which exacerbate vulnerability to and inability to recover from climate impacts. In addition, action on climate change is essential to achieving each of the 17 UN Sustainable Development Goals (SDGs), the global platform for action to alleviate poverty and support sustainable development. Over the next year, Tri-CRI will develop a new initiative on climate change to bring issues such as energy access, just recovery and climate resilience, gender and climate change, and the role of environmental human rights defenders into our engagement, identifying appropriate and relevant companies for engagement.

We maintain active engagements on the following issues:

Water Stewardship

Tri-CRI advocates for improved corporate practices to mitigate the negative impacts of corporate operations on communities. This includes water risk assessment, developing and implementing Human Right to Water policies, establishing policies and practices to reduce water use and pollution. We currently engage companies in the food and beverage, mining, and oil and gas sectors.

Financial Practices

Tri-CRI encourages companies in the financial services sector to implement ethical banking practices and assess human rights risks before financing projects. We support an ICCR member-led engagement with Wells Fargo on developing a Business Standards Review report.

Health Equity

Tri-CRI participates in collaborative work led by Investors for Opioid Accountability, which engages companies that manufacture or distribute opioids, and advocates for accountability and board oversight of business risks related to opioids.