

STAKEHOLDER
CORPORATION
CONTROL
CORPORATE
GOVERNANCE
LAW
MARKET
MONITORING
POLICY
ENVIRONMENT
REGULATION
PROCEDURES
SYSTEM
AFFAIRS
OBJECTIVES
INTERESTS
TRANSPARENCY
DECISION
BEHAVIOR
MECHANISM
MANAGEMENT
RULES

Seventh Generation Interfaith
August 29, 2019

Welcome!

- ▶ Participants will be in listen only mode until the Q&A section.
- ▶ We will make recording and slides available and post on our website

Reflection



Companions in this conversation



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Agenda

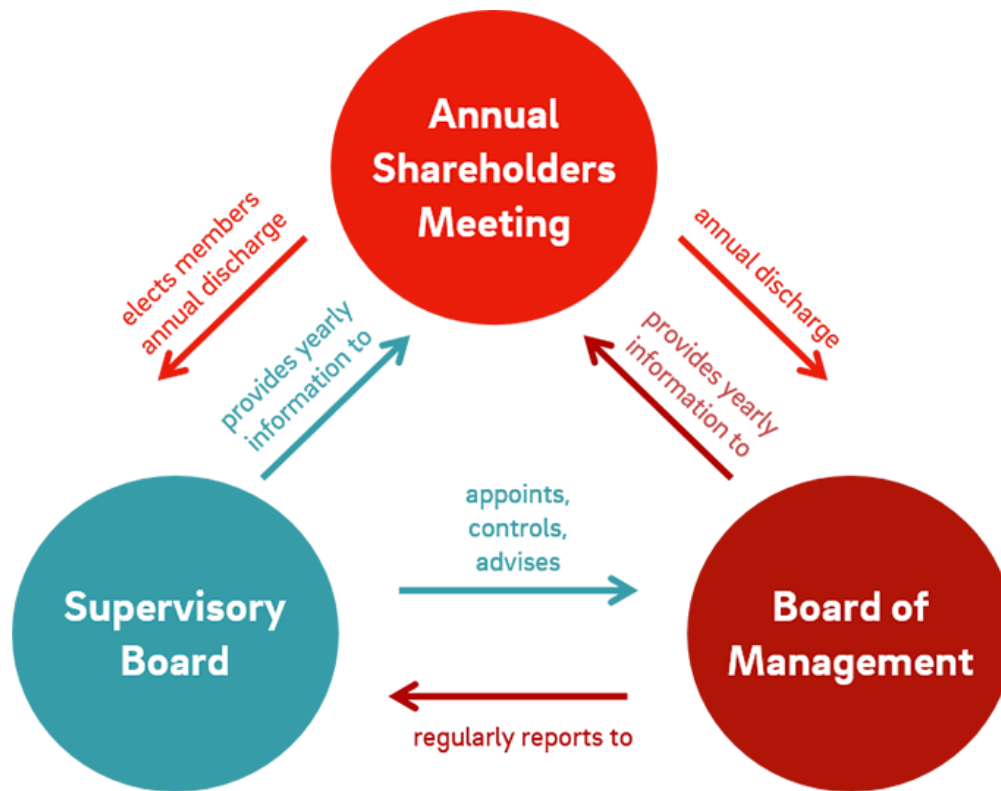
- ▶ **What is Corporate Governance - John Keenen**
- ▶ **Money & Influence in Politics - Tim Smith**
- ▶ **SGI Corporate Governance Engagements - Robert Wotypka, OFM Cap; Ann Roberts; Ruth Battaglia, CSA**
- ▶ **Q&A**

American Federation of State, County and Municipal Employees

- Largest public service employees' union representing more than 1.6 million members
- AFSCME Employees Pension Plan - over 150 pension funds, \$1.7 trillion AUM
- Long-term shareholder value. Our funds 'own the market' and have a thirty-year time frame. Shareholder activism increases the value of our holdings over the long term.



Corporate Governance



- ▶ Corporate governance is the collection of mechanisms, processes and relations by which corporations are controlled and operated

Good corporate governance adds shareholder value

- ▶ Shareholder program is premised on positive correlation between transparent and accountable corporate practices and higher shareholder value & lower volatility in share prices
- ▶ The “CalPERS effect” - impact of California Public Employees’ Retirement System’s program to improve governance of poorly performing companies added over 12% to investment returns
- ▶ Bottom Line: good corporate governance is linked to superior investment returns!

The Active Shareholder



Examples of Corporate Governance

- ▶ Independent Chair
- ▶ Majority Vote Standard
- ▶ Proxy Access
- ▶ Board Diversity
- ▶ Say on Pay
- ▶ Risk Management Oversight
- ▶ Lobbying & Political Spending Management & Disclosure
- ▶ Shareholder Rights

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SGI and Corporate Governance

- ▶ **Boeing Corporation** - Robert Wotypka, OFM
Cap, Midwest Capuchins
- ▶ **Bank of America** - Ann Roberts, Dana
Investment Advisers
- ▶ **Walt Disney Corporation** - Ruth Battaglia, CSA

Questions?



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Thank You

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