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Voting Matters 2020

Are asset managers using their proxy votes for action on climate and social issues?

ShareAction»

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About ShareAction

ShareAction is a campaigning organisation pushing the global investment system to take responsibility for its impacts on people and planet, and use its power to create a green, fair, and healthy society.

We want a future where all finance powers social progress. For 15 years, ShareAction has driven responsibility into the heart of mainstream investment through research, campaigning, policy advocacy and public mobilisation. Using our tools and expertise, we influence major investors and the companies they invest in to improve labour standards, tackle the climate crisis and address inequality and public health issues.

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Executive summary

In 2020, the world faced a health crisis, which brought economic and social turmoil. It showed how deep inequalities make society as a whole more vulnerable — providing important lessons for building resilience in an era of climate change and rampant inequality. Over the long-run, it could be a turning point for responsible investment.

Effective stewardship is widely regarded as a driver of enhanced operational and financial performance. It helps to reduce risks and maximise returns at the individual investment level, as well as enhance overall market stability and maximise positive impacts on society and the environment more generally.

Shareholder resolutions are an essential aspect of stewardship. They demonstrate clear asks and investor expectations to companies. Engagement through private meetings is important to gather information and build relationships but its effectiveness to enact change can be limited.
This report considers how 60 of the world's largest asset managers voted on 102 shareholder resolutions on climate change, climate-related lobbying, and social issues, during the period September 2019 to August 2020, and how they justified their voting choices.

Summary Findings

General Findings

Finding 1: One in six asset managers did not use their voting rights at over 10 per cent of the resolutions they could have voted on.

BNP Paribas Asset Management, DWS Investment GmbH, Eurizon Capital, La Banque Postale Asset Management, Credit Suisse Asset Management LLC, Lyxor Asset Management, M&G Investment Management, Nordea Investment Management, Royal London Asset Management and Swisscanto all chose not to vote at over 10 per cent of the companies' Annual General Meetings (AGMs) included in this analysis.

The number of asset managers choosing not to vote at AGMs is significant and should alarm asset owners who delegate their stewardship and voting activity to their asset managers. Without consistent voting, asset owners are unable to assess their asset managers' views regarding particular stewardship activity. Furthermore, voting across all holdings should be considered a base level of stewardship activity and by voting only at selected companies asset managers are delivering a sub-standard level of basic stewardship activity.

Finding 2: European asset managers continue to outperform US asset managers overall, although a number of US asset managers are quickly catching up.

The ranking reveals that the top 17 best performers are all based in Europe. Six asset managers have voted for 95 per cent of resolutions overall or more. All of these asset managers, namely Impax Asset Management, Aviva Investors, PGGM Investments, Man Group, Legal and General Investment Management, and NN Investment Partners, are based in Europe. Furthermore, a number of European asset managers voted for 100 per cent of either social or climate change related resolutions. For example, Impax Asset Management and PGGM Investments voted for all social resolutions, whereas Impax Asset Management, Man Group, and Aegon Investment Management B.V voted for all climate change resolutions. The best performing US asset manager, in 18th position, is Northern Trust Asset Management.

Three US asset managers do, however, stand out for significantly improving their voting performance on climate change during the 2020 AGM season, relative to the 2019 AGM season.[xiii] Notably:

- **Northern Trust Asset Management**, the best performing US asset manager, significantly improved its voting record this year, voting for 70 per cent of resolutions overall, and 79 per cent of resolutions on climate change. Last year, the asset manager voted for only 21.3 per cent of climate change resolutions;
- **JPMorgan Investment Management** and **Wellington Management Company** voting performances also improved significantly. JPMorgan Investment Management voted for 51 per cent of all climate change resolutions this year, as opposed to 6.7 per cent last year, and Wellington Management Company voted for 62 per cent of all climate change resolutions, as opposed to 9.8 per cent last year.

Finding 3: Whilst European asset managers have better voting performances, they do not tend to file shareholder resolutions on climate change and social issues in their own jurisdictions.

Only two social resolutions were filed in Europe in 2020 at H&M and Novo Nordisk, however both received less than five per cent support and were therefore excluded from this analysis. Only six out of the 53 climate resolutions covered in this analysis were filed in Europe.

Practically it is more complex and difficult to file a shareholder resolution in most European markets compared to the US, due to additional legal and regulatory hurdles, including higher ownership requirements. A group of investors have started a campaign to change the rules and make it easier to file resolutions in Europe.

Finding 4: Seventeen additional resolutions would have passed, if one or more of the Big Three had changed their vote.

Fifteen Out of the 102 resolutions covered in this analysis (around 15 per cent) were supported by a majority of investors. This analysis finds that an additional 17 resolutions would have passed, had one or more of the Big Three (Blackrock, Vanguard Group, and State Street Global Advisors) voted for them. In all of these cases, BlackRock and Vanguard Group voted against the resolutions. Meanwhile, State Street Global Advisors voted for 6 of the 17 resolutions. This would have brought the total of resolutions that have passed to 32, or 31 per cent of the resolutions included in this analysis.

Finding 5: The 2020 AGM season saw an increase in action-oriented resolutions, although disclosure resolutions continue to dominate.

Sixty-seven[1] out of 102 resolutions that were voted on between September 2019 and August 2020 focused on disclosure. These tend to be less controversial in nature as their purpose is usually to provide investors with additional information on the company's exposure to Environmental, Social, Governance (ESG) risks and its plans to mitigate these risks.

The relative lack of implementation-focused resolutions on social issues can be partly explained by the range and complexity of social topics, as well as the lack of a unifying goal similar to the Paris Agreement in the social space. It might also demonstrate a relative lack of maturity of investor stewardship in the 'S' space. Indeed, disclosure and data are often a pre-requisite to implementation. Furthermore, the dominance of disclosure-oriented resolutions can be partly be explained by the US Securities and Exchange Commission (SEC) taking an increasingly narrow stance on ESG resolutions and the value of engagement on ESG issues.

Climate Findings

Finding 6: A number of Climate Action 100+ (CA100+) members fail to vote for climate action, although CA100+ members have better voting records on average than non-CA100+ members.

Climate Action 100+ (CA100+) is an investor initiative, which aims to engage with the world's largest emitters of carbon. 37 of the asset managers included in the report are members of the CA100+ initiative. On average, their voting performance is better than the voting performance of non-members, with CA100+ members and non-CA100+ members supporting 69 per cent and 39 per cent of climate resolutions on average, respectively. This analysis found that five CA100+ members, namely Nordea Investment Management, BlackRock, Lyxor Asset Management, Credit Suisse Asset Management, and Ninety One voted for 50 per cent, or less, of climate resolutions.

Finding 7: Private engagement can stand in the way of climate action.

Analysis of the voting rationales provided by asset managers reveals that a number of asset managers continue to abstain or vote against climate critical resolutions because of ongoing engagement with the company. For example, an asset manager stated that: "As an ongoing engagement with the company is in place addressing the same topics, in order not to undermine good relationships in place with the issuer we prefer to abstain". A case study on a resolution filed at French oil major Total SA outlines how private engagement can sometimes stand in the way of more ambitious climate action.

1 Resolution had "reporting" in title

Finding 8: Asset managers are sometimes unwilling to vote on resolutions filed at companies they consider to be leaders – despite the inadequacy of these companies' climate strategies.

A large number of rationales justified not voting for a resolution on the basis that a company was doing more on climate than its peers. For example, an asset manager voted against a resolution at an oil and gas company because "its commitment is the most advanced among other oil & gas majors". Regardless of the company's progress compared to its peers, if its strategy remains inadequate, investors need to support resolutions pushing for greater ambition.

Finding 9: Banks are under pressure to act on climate change

During the 2020 AGM season, a number of high-profile resolutions on climate change were filed at Canadian, European, and US banks. These resolutions have tended to be more action-oriented in nature, and to focus on the banks' financing of high-carbon industries.

These resolutions could present challenges to asset managers. Indeed, some of them might be confronted with similar asks due to similarities in business models, and/or even belong to the asset management arm of a bank, triggering potential conflicts of interest or fear of retaliation. Encouragingly, this analysis finds that this has not deterred some asset managers linked to banks to vote in favour of action-oriented resolutions at banks. Amundi Asset Management (owned by Credit Agricole) voted for six out of eight of these resolutions, and BNP Paribas Asset Management (owned by BNP Paribas Group) voted in favour of the five resolutions it voted on.

A number of asset managers, including Federated Hermes International, Impax Asset Management, Legal and General Investment Management, Man Group, NN Investment Partners, Pictet Asset Management, PGGM Investments and Swisscanto, stand out for consistently voting in favour of action-oriented climate change resolutions at banks.

Finding 10: Companies have started to respond to investors' increased interest in and support for resolutions on climate-related lobbying

In recent years, the topic of corporate climate lobbying has shifted beyond the remit of ESG analysis to become a feature of mainstream investor concern, with CA100+ being one of the most active investor voices on the topic. Shareholder resolutions on climate-related lobbying have traditionally focused on disclosures and have increased in their sophistication and ambition this year.

A case study on the 2019 resolution on lobbying that was filed at mining giant BHP Billiton is used to illustrate how quickly investor thinking is evolving on the topic, and the impact that a resolution with a relatively low vote 'For' can have.

Social Findings

Finding 11: Despite the rhetoric on Covid-19 increasing the focus on the S of ESG, there is little evidence of it affecting voting decisions.

Given the widespread material risks related to Covid-19, one might have expected to see a response to Covid-19 in asset managers' voting records and rationales. To understand whether Covid-19 had an impact on voting decisions, resolutions on human rights were selected both before and after the WHO declared Covid-19 a global pandemic, in March 2020. This report found that there was no correlation between support for resolutions on human rights before and after the WHO's declaration. Furthermore, no voting rationales referenced the pandemic.

Finding 12: Support for diversity resolutions is higher than for those on human rights and pay gaps

The levels of investor support are highest for diversity reporting resolutions with an average of 77 per cent of resolutions supported by investors, followed by human rights resolutions with an average 59 per cent and pay gap reporting resolutions with an average of 43 per cent. The only social resolutions in the sample that passed were all in the diversity category (Fastenal, Fortinet and Genuine Parts).

Finding 13: Investors showed less support for resolutions requesting companies to disclose both gender and race pay gaps, than for gender pay gap only.

Six of the resolutions included in this analysis requested companies to report their global median gender and racial pay gaps. A further seven resolutions requested that the company reports on their gender pay gap only. Comparing these two sets of resolutions, investors showed a higher level of support for those that focused on the gender pay gap only. On average 29 per cent of investors in this analysis voted in favour of resolutions asking companies to disclose a gender and racial pay gap, compared to an average of 48 per cent voting in favour of resolutions asking companies to disclose their gender pay gap only. Rationales 'Against' global ethnicity pay gaps pointed to the complexity of collecting meaningful data and the fact that collecting ethnicity data is illegal in jurisdictions such as France.

Finding 14: How difficult a resolution is for a company to implement is a key consideration for asset managers.

In their rationales, many investors said they voted 'For' various resolutions because they did not think it would be "difficult", "excessively onerous" or "burdensome" for the company to implement. Additionally, resolutions that were more aligned with current legislation often received higher levels of support. On the other hand, a large number of rationales given for voting 'against' social resolutions reference how difficult it would be for a company to implement. Furthermore, resolutions requiring companies to undertake human rights due diligence were voted against on the grounds that they were too prescriptive, suggesting investors were focused on process rather than impact.

Recommendations for asset managers

The findings of this report are relevant to all asset managers (those covered as well as those not featured in this report) for assessing their own voting performance and identifying key areas for improvement.

We recommend asset managers:

1. Use this analysis to assess performance relative to peers, and identify areas for improvement;
2. Develop and strengthen voting policies by explicitly committing to support shareholder resolutions on ESG issues on a 'comply or explain' basis;
3. Improve transparency on proxy voting by publishing voting policies and voting rationales in a manner that is timely and user friendly;
4. Commit to voting at all AGMs.

Recommendations for asset owners

As stewards of capital for millions of beneficiaries, asset owners have a duty to monitor the engagement activities and proxy voting records of their asset managers. This report recommends that asset owners:

1. Use this research to inform their selection and engagement with asset managers;
2. Assess and monitor the responsible investment performance and proxy voting records on ESG resolutions of asset managers during the asset manager selection process;
3. Monitor their asset managers' proxy voting decisions on ESG resolutions and on ordinary resolutions, at companies that have shown persistent inaction on climate change and social issues such as pay, diversity, and human rights, and/or reluctance to engage with their shareholders;
4. Engage with their asset managers to ensure that equal attention is given to social issues as environmental issues, in their voting decisions and engagement with companies.

Recommendations for investment consultants

In addition to delegating to asset managers, asset owners rely on their investment consultant's time and expertise to support them with their responsible investment activity. In this light, the following recommendations were designed to be complementary to those for asset owners:

1. Develop a system to monitor asset managers' votes and feedback to clients;
2. Engage with asset managers on voting decisions on controversial ESG issues to ensure voting is aligned with consultants and clients' own values and polices;
3. Engage with asset managers ahead of important shareholder resolutions.

Introduction

Stewardship is in the spotlight. In the UK, government strategy is to use the influence of pension funds to lead the fight against climate change.[i] The recently launched Net-Zero Asset Owners Alliance,[ii] a global group of asset owners committed to aligning their portfolios with net zero by 2050 at the latest, considers engagement with companies as the way to create real-world impact. Stewardship on social issues is also gaining ground with the Principles for Responsible Investment (PRI).[iii]

Engagement is often cited by asset managers as a preference over divestment, with many preferring to steward companies towards better business practices than reduce their investment. However, asset managers' commitment to stewardship often fails to be backed up by credible evidence, and is thus under increased scrutiny by clients, regulators, and civil society.

The new UK Stewardship Code 2020 has sought to refresh and energise stewardship activity in the UK through a new ambitious approach. The new code sees a shift in focus from policy statements to outcomes, demonstrating the need for investors to show impact through their stewardship activity. The narrative has now very much changed: stewardship without outcomes is no longer seen as sufficient. Voting is a critical part of effective stewardship. Private and collaborative engagements are important but, without consistent voting, investors are not using their full stewardship capabilities.

This report examines how 60 of the world's largest asset managers have voted on shareholder resolutions on climate change and social issues during the 2020 AGM season. Have they lived up to the stewardship hype?

Methodology

The 2020 Investment and Pensions Europe (IPE) ranking of the top 500 asset managers[iv] was used to select asset managers. The asset managers included in this study met one or more of the following criteria:

1. The world's largest 15 asset managers based on assets under management (AUM).
2. The largest 40 European asset managers based on AUM.
3. The largest 15 UK asset managers based on AUM.

In total, 60 asset managers were selected for this analysis.[2]

The analysis considers how asset managers voted on shareholder resolutions on climate change, climate-related lobbying, and social issues such as human rights due diligence, pay, and diversity, during the period September 2019 to August 2020. In total, 102 shareholder resolutions were selected.[3] Alongside voting data, asset managers were asked for their rationales to explain why they had voted a certain way. The rationales have informed a significant part of the analysis, proving narrative and background to arguments. All the rationales in the report have been anonymised as it was deemed unfair to only publish rationales from asset managers who had allowed their rationales to be made public.

When calculating the percentage of votes 'For', only votes in favour were counted. Votes 'Against', 'Abstentions' and Do Not Vote ('DNV') were not given any marks.

▹ Note: A full methodology can be found at the end of the report (page 50)

2 For further detail on how asset managers were selected, please see Appendix I.

3 For further detail on how resolutions were selected, please see Appendix I.

Section 1: General Findings

Finding 1: One in six asset managers did not use their voting rights at over 10% of the resolutions they could have voted on.

Ten asset managers in the analysis DNV on over 10 per cent of the resolutions (see Figure 1). Not voting sends a signal to a company that there is disinterest from investors. If voting does need to be prioritised, it should be prioritised based on impact. The methodology, therefore, considers DNV as equal to a vote against the resolution.[4]

Figure 1: 11 asset managers "Do Not Vote" on over 10 per cent of the resolutions

Asset manager	Do Not Vote
La Banque Postale Asset Management	53%
BNP Paribas Asset Management	26%
Credit Suisse Asset Management LLC	16%
DWS Investment GmbH	27%
Eurizon Capital	76%
Lyxor Asset Management	98%
M&G Investment Management	17%
Nordea Investment Management	55%
Royal London Asset Management	12%
Swisscanto	28%

DNV percentages reported under Finding 1 are relative to each asset managers' voting universe, i.e. excluding "no holding" and "missing data" from the denominator.

The number of asset managers choosing not to vote at companies' AGMs is significant and should alarm asset owners who delegate their stewardship and voting activity to their asset managers. Without consistent voting, asset owners are unable to assess their asset managers' views regarding particular stewardship activity. Furthermore, voting across all holdings should be considered a base level of stewardship activity and by voting only at selected companies, asset managers are delivering a sub-standard level of basic stewardship activity.

4 Further detail on methodology can be found in Appendix I.

Finding 2: European asset managers continue to outperform US asset managers overall, although a number of US asset managers are quickly catching up.

"Voting split" statistics are expressed relative to the entire resolution sample (102 resolutions) and are therefore not representative of each Asset Managers' performance on their individual voting universe (i.e. perimeter excluding companies they do not hold and missing data), reported under "Overall", "Climate" and "Social".

Figure 2: Ranking of asset managers*

Key: percentage scores
- 81–100
- 61–80
- 41–60
- 21–40
- 0–20

Key: pie chart percentages
- Against
- For
- No Holding
- Split
- Abstain
- Did Not Vote
- Missing Data

Asset manager	Country	AUM (millions)	Overall	Climate**	Social	Voting Split
Impax Asset Management	UK	19,049	100%	100%	100%	62% 38%
Aviva Investors	UK	408,496	98%	98%	98%	8% 90%
PGGM Investments	Netherlands	252,000	98%	95%	100%	16% 82%
Man Group	UK/ Switzerland	105,000	96%	100%	91%	7% 89%
Legal & General Investment Management	UK	1,411,715	96%	96%	95%	10% 86%
NN Investment Partners	Netherlands	276,274	95%	95%	95%	17% 79%

* The asset manager's holdings were insufficient to vote on at least five resolutions in each category (Climate and Social) and therefore its voting record is excluded from the ranking established for that category.

** This includes resolutions on climate-related lobbying.

Asset manager	Country	AUM (millions)	Overall	Climate**	Social	Voting Split
AEGON Investment Management B.V	Netherlands	351,520	93%	100%	86%	13% 80%
Robeco	Netherlands	173,482	91%	92%	91%	11% 81%
Amundi Asset Management	France	1,653,391	89%	91%	88%	7% 89%
Pictet Asset Management Limited	Switzerland	185,612	87%	96%	77%	12% 79%
HSBC Global Asset Management	UK	460,691	82%	81%	83%	18% 79%
Allianz Global Investors	Germany	563,000	81%	89%	73%	13% 80%
UBS Asset Management	Switzerland	806,130	79%	91%	67%	18% 79%
Generali Insurance Asset Management	Italy	498,287	77%	67%	89%	15% 23% 60%
Federated Hermes International	UK	43,763	77%	93%	63%	23% 71%
BNP Paribas Asset Management	France	594,434	72%	65%	80%	14% 23% 62%

Asset manager	Country	AUM (millions)	Overall	Climate**	Social	Voting Split
AXA Investment Managers	France	800,632	71%	85%	55%	27% 69%
APG Asset Management	Netherlands	538,095	70%	80%	59%	9% 25% 64%
Northern Trust Asset Management	US	905,698	70%	79%	59%	30% 70%
Royal London Asset Management	UK	163,890	69%	60%	79%	11 13 14 60%
Union Investment	Germany	368,208	67%	83%	50%	22% 25% 50%
Aberdeen Standard Investments	UK	574,199	66%	78%	52%	31% 61%
DWS Investment GmbH	Germany	767,399	66%	66%	65%	27% 66%
Liontrust Asset Management	UK	22,477	64%	63%	65%	12 21% 65%
Nuveen Asset Management	US	947,700	63%	71%	56%	25% 31% 43%
Swiss Life Asset Managers	Switzerland	234,400	62%	76%	44%	21% 30% 49%

Asset manager	Country	AUM (millions)	Overall	Climate**	Social	Voting Split
Swisscanto	Switzerland	160,640	62%	71%	51%	10 27% 60%
Schroders	UK	509,548	62%	63%	60%	8 33% 55%
Fidelity International	UK/US	302,119	60%	73%	48%	16% 32% 51%
Achmea Investment Management	Netherlands	147,469	58%	68%	47%	25% 31% 43%
Ostrum Asset Management	France	274,100	57%	50%	62%	9 12% 79%
Newton	UK	58,944	57%	57%	56%	13 17% 71%
M&G Investment Management	UK	324,620	55%	65%	41%	13 21% 25% 41%
Jupiter Asset Management	UK	39,108	54%	58%	50%	13 15% 73%
Wellington Management Company	US	1,028,708	51%	62%	39%	43% 48%
Goldman Sachs Asset Management LP	US	1,500,000	45%	48%	43%	44% 53%

Asset manager	Country	AUM (millions)	Overall	Climate**	Social	Voting Split
Ninety One	South Africa/UK	136,549	44%	50%	39%	22% 25% 51%
JPMorgan Investment Management Inc	US	1,804,720	43%	51%	34%	8 39% 51%
La Banque Postale Asset Management	France	235,000	42%	41%	44%	24% 32% 40%
Mondrian Investment Partners	UK	48,464	39%	45%	29%	7 11% 82%
Invesco Capital Management LLC	US/UK	1,092,651	37%	52%	19%	9 14 33% 44%
State Street Global Advisors	US	2,776,322	35%	40%	29%	22% 34% 43%
Baillie Gifford	UK	258,038	33%	29%	36%	12% 82%
Fidelity FMR	US	2,852,410	31%	20%	44%	13 25% 57%
Nordea Investment Management	Sweden	234,195	30%	28%	32%	13 15 25% 47%
JO Hambro Capital Management	UK	34,349	29%	23%	36%	7 17% 76%

Asset manager	Country	AUM (millions)	Overall	Climate**	Social	Voting Split
Eurizon Capital	Italy	335,500	22%	22%	23%	13% 43% 43%
T. Rowe Price Associates Inc	US	1,075,101	22%	27%	17%	22% 75%
Credit Suisse Asset Management LLC	Switzerland	403,374	16%	22%	10%	13% 81%
Vanguard Group	US	5,624,520	14%	15%	12%	14% 86%
BlackRock	US	6,704,235	12%	11%	12%	12% 87%
Capital Group	US	1,832,509	8%	12%	4%	5 7 35% 52%
Lyxor Asset Management	France	168,000	1%	2%	0%	15% 83%
Walter Scott Global Investment Management	UK	65,997	0%	0%*	0%	10% 90%

The ranking reveals that the top 17 best performers are all based in Europe. Six asset managers voted for 95 per cent of resolutions overall or more. These asset managers, namely Impax Asset Management, Aviva Investors, PGGM Investments, Man Group, Legal and General Investment Management, and NN Investment partners, are based in Europe. Furthermore, a number of European asset managers voted for 100 per cent of either climate change or social related resolutions in a single category. For example, Impax Asset Management and PGGM Investments voted for all social resolutions, whereas Impax Asset Management, Man Group, and Aegon Investment Management B.V voted for all climate change resolutions. The best performing US asset manager, in 18th position, is Northern Trust Asset Management.

The worst 10 performers in ShareAction's 2019 climate voting report were all based in the US.[v] This year the picture is less clear cut with only five of the worst performers being US based asset managers. This might be due to a difference in sample – as some of last year's worst performers, such as Franklin Templeton and MetLife Investment Management, do not feature in this year's analysis. Furthermore, European legislation and regulation might partly explain why European asset managers have better voting records on ESG shareholder resolutions.

For example:

- The 2019 Dutch stewardship code states that asset managers should exercise their voting rights and other rights attached to shares in Dutch listed investee companies in an informed manner and publicly disclose their voting policy and how they voted.[vi]

- The UK Stewardship Code 2020 sets high stewardship standards for asset owners, asset managers and the service providers that support them. Principle seven of the code requires signatories to "systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change to fulfil their responsibilities".[vii]

- In January 2020, Germany implemented the Shareholder Rights Directive II into law, meaning that asset managers must publish their engagement policy and voting behaviour or explain why they failed to comply with these statutory requirements.[viii]

- France's Energy Transition Law, enacted in early 2016, requires that institutional investors – both asset owners and managers - disclose how their ESG approaches align with the country's energy transition strategy.[ix] A decree completed the transposition of the Shareholder Rights directive II into French law in late 2019.[x]

Still, three US asset managers stand out for significantly improving their voting performance on climate change during the 2020 AGM season, relative to the 2019 AGM season.[xi] Notably:

- Northern Trust Asset Management significantly improved its voting record this year, voting for 70 per cent of resolutions overall, and 79 per cent of resolutions on climate change. Northern Trust Asset Management is also the best performing US asset manager. Last year, the asset manager voted for only 21.3 per cent of climate change resolutions;

- JPMorgan Investment Management and Wellington Management Company voting performances also improved significantly. JPMorgan Investment Management voted for 51 per cent of all climate change resolutions this year, as opposed to 6.7 per cent last year, and Wellington Management Company voted for 62 per cent of all climate change resolutions, as opposed to 9.8 per cent last year.

Finding 3: Whilst European asset managers have better voting performances, they do not tend to file shareholder resolutions on climate change and social issues in their own jurisdictions.

Strong voting performance from European asset managers does not necessarily translate to the filing of shareholder resolutions on climate change and social issues at European companies. Only two social resolutions were filed in Europe in 2020 at H&M and Novo Nordisk, however both received less than five per cent support and were therefore excluded from this analysis. Only six out of the 53 climate resolutions included in this analysis were filed in Europe.

Practically, it is more complex and difficult to file a shareholder resolution in most European markets compared to the US due to additional legal and regulatory hurdles, including higher ownership requirements. Shareholders are required to own between 0.5 per cent and five per cent in order to file a resolution in most European countries, making it particularly difficult to file resolutions at large cap companies. Additionally, in some European markets company management have the power to decide whether to include a resolution on the ballot.[xii] In recognition of it being more difficult to file resolutions French SIF are running a campaign to change France's shareholder voting system. The recommendations include allowing proposals to be co-filed by a group of shareholders, at least 100, instead of requiring an individual shareholder to own at least 0.5 per cent. They would also allow the French Financial Markets Regulator (the Autorité des Marchés Financiers), to be able to arbitrate the admissibility of any proposal that the company wants struck off the ballot, similar to the role the Securities and Exchanges Commission currently takes in the US.[xiii]

Finding 4: Seventeen additional resolutions would have passed, if one or more of the Big Three had changed their vote.

Since the global financial crisis of 2008, a significant shift towards passive investment strategies and away from active strategies has occurred. This unprecedented swing in investment behaviour – leading to the sale of actively managed equity mutual funds worth circa US$800 billion and the purchase of passive index funds worth US$1 trillion – led to a concentration of corporate ownership in the hands of Blackrock, Vanguard Group and State Street Global Advisors ('the Big Three').[xiv] The ownership stakes of the Big Three in S&P 500 companies have almost quadrupled in the past two decades – making them responsible for 25 per cent of the votes cast at these companies.[xv] Academics at Harvard Law School and Boston University predict that their size and influence will continue to grow. They estimate that BlackRock, State Street Global Advisors and Vanguard could cast as much as 40 per cent of the votes in S&P 500 companies within two decades.[xvi] Their size and influence have also grown outside of the US. For example, Blackrock and Vanguard are now the two largest investors in Germany's DAX, with State Street Global Advisors in 13th position.[xvii] They all hold collectively more than 10 per cent stakes in the focus companies of the CA100+ initiative,[xviii] 66 per cent of which are listed outside of North America.[xix]

The large ownership stakes of the Big Three mean that the asset managers have an outsized influence on stewardship matters. Such matters are relevant to a company's shareholder base and include whether a director gets re-elected, or a shareholder resolution obtains more than 50 per cent of votes. A recent study by ShareAction of the responsible investment practices of the world's 75 largest asset managers reveals that the world's six largest asset management firms, including the Big Three, have a very limited approach to managing ESG risks and opportunities.[xx] Blackrock ranked 47th with a D, State Street Global Advisors ranked 39th with a D, and Vanguard Group ranked 69th with an E. Previous studies have also raised concerns about the Big Three's lack of support for shareholder proposals on ESG issues.[xxi,xxii]

It should thus come as no surprise that the stewardship activities of the Big Three has come under increased scrutiny from asset owners,[xxiii] civil society,[xxiv,xxv] trade unions,[xxvi] activist investors,[xxvii] and members of the US senate[xxviii] and the European Parliament.[xxix]

A recent study by Majority Action revealed that Blackrock, Vanguard Group and State Street Global Advisors voted for three, two and none of the 12 shareholder resolutions filed by CA100+ company leads, most of which called for independent chairs and increased transparency of companies' direct and indirect lobbying activities.[xxx] The sample of resolutions included in this study differs from Majority Action's as it excludes resolutions on independent chairs. It also includes resolutions on climate change filed at non-S&P 500 companies and those that received between five and 100 per cent support, as well as resolutions on social issues.[5]

Part of the analysis for this report sought to understand how many of the resolutions included in this study would have passed, had the Big Three voted for them. Firstly, the Big Three ownership of the companies included in the report was calculated at the quarter preceding the relevant vote. This data was sourced from Thomson Reuters Eikon and is based on each asset manager's consolidated 13F filings that are required to be disclosed to the SEC on a quarterly basis. When a member of the Big Three voted against a resolution, the percentage of the company which they owned was added together. For example, for the Sanderson Farms human rights vote, BlackRock and Vanguard Group voted 'Against' it while State Street Global Advisors voted 'For'. In this case, only the percentage shareholdings of BlackRock and Vanguard Group were added (totaling 18 per cent). The actual vote result was 37.2 per cent 'For', meaning that if BlackRock and Vanguard Group had voted for the resolution, it would have passed as the total would have been well over the required 50 per cent threshold.

This analysis finds that an additional 17 resolutions would have passed, had one or more of the the Big Three voted for them. This would have brought the total of resolutions that would have passed to 32 or 31.4 per cent of the resolutions included in this analysis.

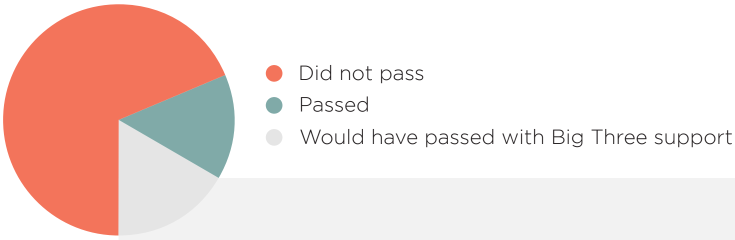
The breakdown of the 17 resolutions is as follows:

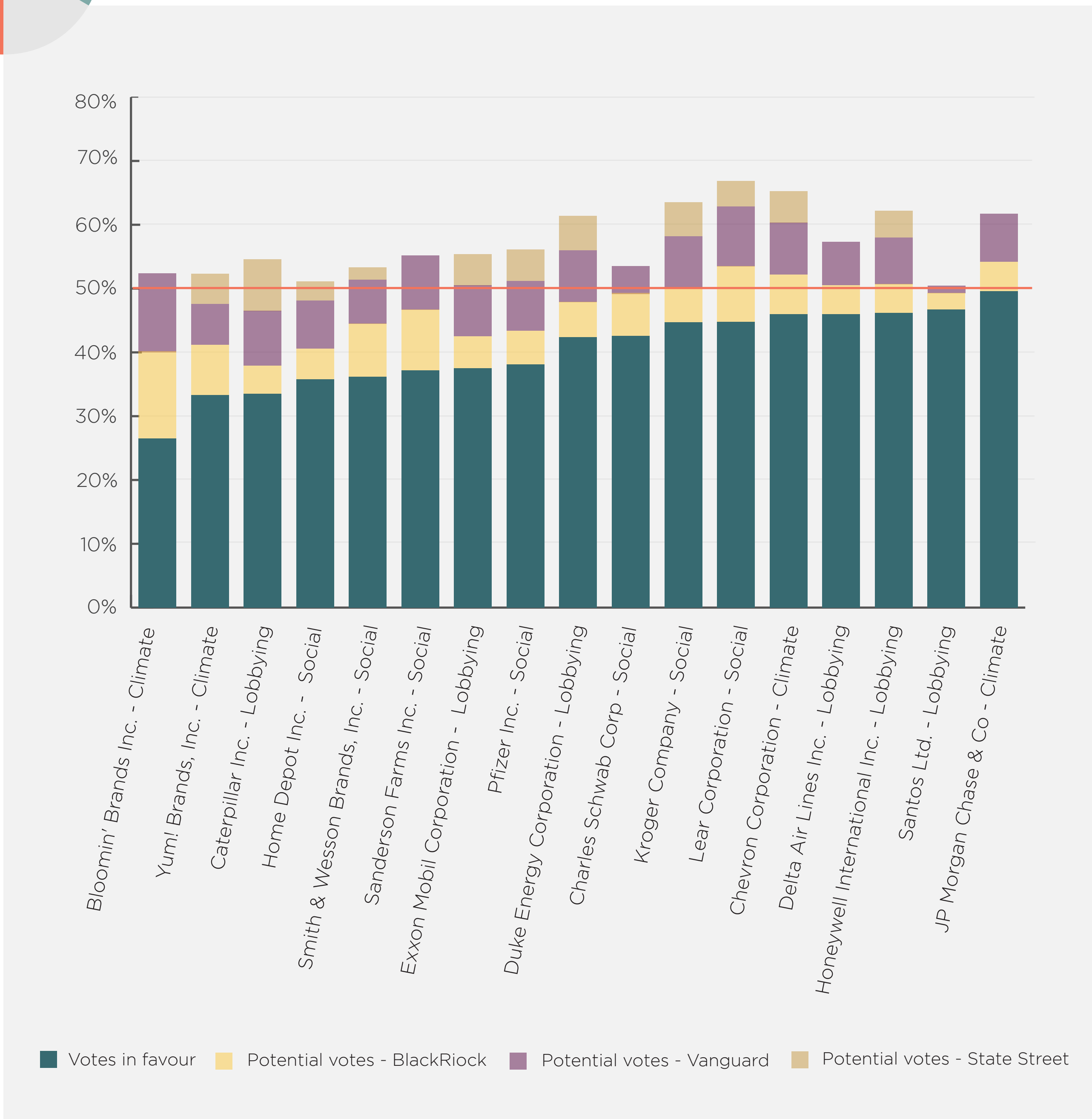
- Four on climate change issues;
- Six on climate-related lobbying;
- Four on human rights;
- Two on diversity;
- One on pay gaps.

Whilst State Street Global Advisors voted differently on these resolutions (For, Against, and Abstain), Blackrock and Vanguard voted against all of them.

5 For more information on the methodology, please see Appendix I.

Figure 3: 17 additional climate and social resolutions would have passed, had the Big Three voted for them





In response to previous analyses of their voting records, the Big Three tend to emphasise that voting on resolutions is only one of the many tools that asset managers can use to exert stewardship. Yet an analysis of The Big Three's voting rationales suggest that the asset managers voted against these resolutions because they believed the companies were already doing what the resolutions were asking to do. The Big Three's rationales for voting against these resolutions seems to stand at odds with how other shareholders perceive the progress made by companies, with the 17 resolutions receiving between 26.5 per cent and 49.6 per cent of support (40.4 per cent on average). Furthermore, ISS and Glass Lewis, the world's most influential proxy advisers, both backed 11 out of 17 of these resolutions, and the remaining six were backed by one of them.

The case study below zooms in on one of the human rights resolutions that would have passed had the Big Three voted for it.

Case Study: Kroger

Ask: Report on Human Rights Due Diligence Process in Operations and Supply Chain
Resolution Number: 5
AGM date: 25 June 2020
Result: 44.7 per cent For / 55.3 per cent Against

Kroger is a US supermarket operating 3,900 stores across the US. The resolution called on Kroger to report '*on Kroger's human rights due diligence (HRDD) process to identify, assess, prevent and mitigate actual and potential adverse human rights impacts in its operations and supply chain.*' Noting that, '*Department of Labor has identified dozens of food products that appear on Kroger's shelves produced from child or forced labor, including seafood, tea, palm oil and fresh produce*'.[xxxi]

With 44.7 per cent of votes 'For', this resolution nearly passed. Of the sample of investors analysed in this report only BlackRock, Capital Group, Invesco Capital Management LLC, T. Rowe Price Associates Inc., State Street Global Advisors and Vanguard Group did not support it, demonstrating a clear divide between European and US investors.

Rationales in support of this resolution noted the materiality of human rights issues, and argued in favour of greater transparency. For example, one investor stated: '*A vote FOR this proposal is warranted, as additional information regarding policies the company has implemented to address human rights impacts in its operations and supply chain would allow shareholders to better gauge how well Kroger is managing human rights related risks*'.

The company AGM was later in the year, when the impacts of Covid-19 on workplaces worldwide was clearly being felt, it is unclear whether Covid-19 increased the support for this resolution in comparison to other similar resolutions at Tyson Foods or Sanderson Farms. Another explanation might be that Kroger's retailer peers are more advanced in their approach to human rights and investors therefore thought a more robust approach was needed. Kroger was benchmarked in the 10–20 per cent band in the 2019 Corporate Human Rights Benchmark, significantly below other food retailers like Tesco (40–50 per cent) or Marks & Spencer (70–80 per cent).[xxxii]

Finding 5: The 2020 AGM season saw an increase in action-oriented resolutions, although disclosure resolutions continue to dominate

The majority of the resolutions that were voted on during September 2019 and August 2020 focused on disclosure. These tend to be less controversial in nature as their purpose is usually to provide investors with additional information on the company's exposure to ESG risks and its plans to mitigate these risks.

Indeed, almost all of the 'social' resolutions examined can be categorised as policy development or disclosure resolutions.[6] Some of the asks made include developing a human rights report, publishing a report on diversity, or publishing a gender pay gap report. Very few ask for companies to implement or action something beyond the development of policy or disclosure. A key exception is the resolution filed at Loblaw, which asked the company to '*Enhance the Mandate of the Risk and Compliance Committee to Assign it with Specific Responsibility for Human Rights Risk Assessment, Mitigation and Prevention, Policy Formulation and Adoption*'.

The majority of climate-related resolutions were also disclosure-oriented. Recurring asks include '*Publishing a Report on Lobbying Payments and Policy*' and '*Publishing a Report on Climate Change*'. The need for better climate-related and ESG disclosures is regularly mentioned in asset managers' voting rationales. For example, an asset manager voted for most of the disclosure-oriented resolutions included in this analysis because they are '*supportive of proposed ESG-related disclosures*'.

The relative lack of implementation-focused resolutions on social issues can be partly explained by the range and complexity of social topics. In addition, the lack of a unifying goal similar to the Paris Agreement in the social space leads to a lack of consensus. It might also demonstrate a relative lack of maturity of investor stewardship in the 'S' space. Indeed, disclosure and data are often a pre-requisite to implementation.

Furthermore, most disclosure resolutions were filed in the US, where the US Securities and Exchange Commission (SEC) has taken an increasingly narrow stance on ESG resolutions and the value of engagement on ESG topics. Morningstar found that whilst average support for climate resolutions was increasing, the number of resolutions coming to a vote has declined significantly. This is partly because companies are increasingly receptive to engagement, leading proponents to withdraw their resolutions, but also because of the SEC's increased tendency to side with companies and block shareholder proposals on ESG topics.[xxxiii]

A recent analysis found that the one of the most common bases for companies requesting the SEC to exclude ESG resolutions from their ballots were that the proposal was overly prescriptive or sought to micromanage the company.[xxxiv] The authors of the analysis argue, '*claims of micromanagement have become more prominent as the SEC staff has become more receptive to such exclusions*'. A SEC legal bulletin states that a proposal may be excluded if it micromanages, regardless of the subject matter of the resolution. It also states that a proposal may also be excluded on the basis that it involves intricate detail, or seeks to impose specific timeframes or methods for implementing complex policies.[xxxv] The authors list a number of action-oriented resolutions that were excluded on the basis of being overly prescriptive, such as resolutions asking companies to develop policies to adopt targets aligned with the goals of the Paris Agreement. The SEC sided with all the energy companies and banks that sought to block proposals on such topics in 2019.

6 Resolutions included 'report' in their title

However, the SEC sided against the companies in instances where the resolution was worded in terms of publishing a report describing the company's plans to reduce its carbon footprint in line with the Paris Agreement.[xxxvi] This would explain why a majority of resolutions that end up on US company ballots are disclosure-oriented.

This trend is likely to continue, unless reversed by the new Biden administration. In November 2019, the SEC proposed new rules that would severely restrict shareholders' ability to file resolutions by raising the thresholds of ownership, both in terms of the number of shares and length of time they must be held.[xxxvii] This is despite shareholder resolutions having been proven to benefit shareholder engagement on ESG issues. For example, an analysis of data on climate-related shareholder proposals filed with US companies between 2009 and 2017 found that 35 per cent of resolutions led the company in question to commit to specific actions.[xxxviii] According to the CEO of the PRI, these proposed new rules '*create new roadblocks for investors seeking to use shareholder proposals and voting processes to signpost critical ESG issues with corporate leaders*'.[xxxix] These proposed new rules are, according to the Global Head of Sustainable Investing at Morningstar, '*part of a broader strategy by Trump Administration regulators to limit the growing influence of ESG investing in the United States*'.[xl] Interestingly, the trade associations that have been the strongest voices in urging the SEC to clamp down on shareholder rights are also the most active in negative climate lobbying.[xli]

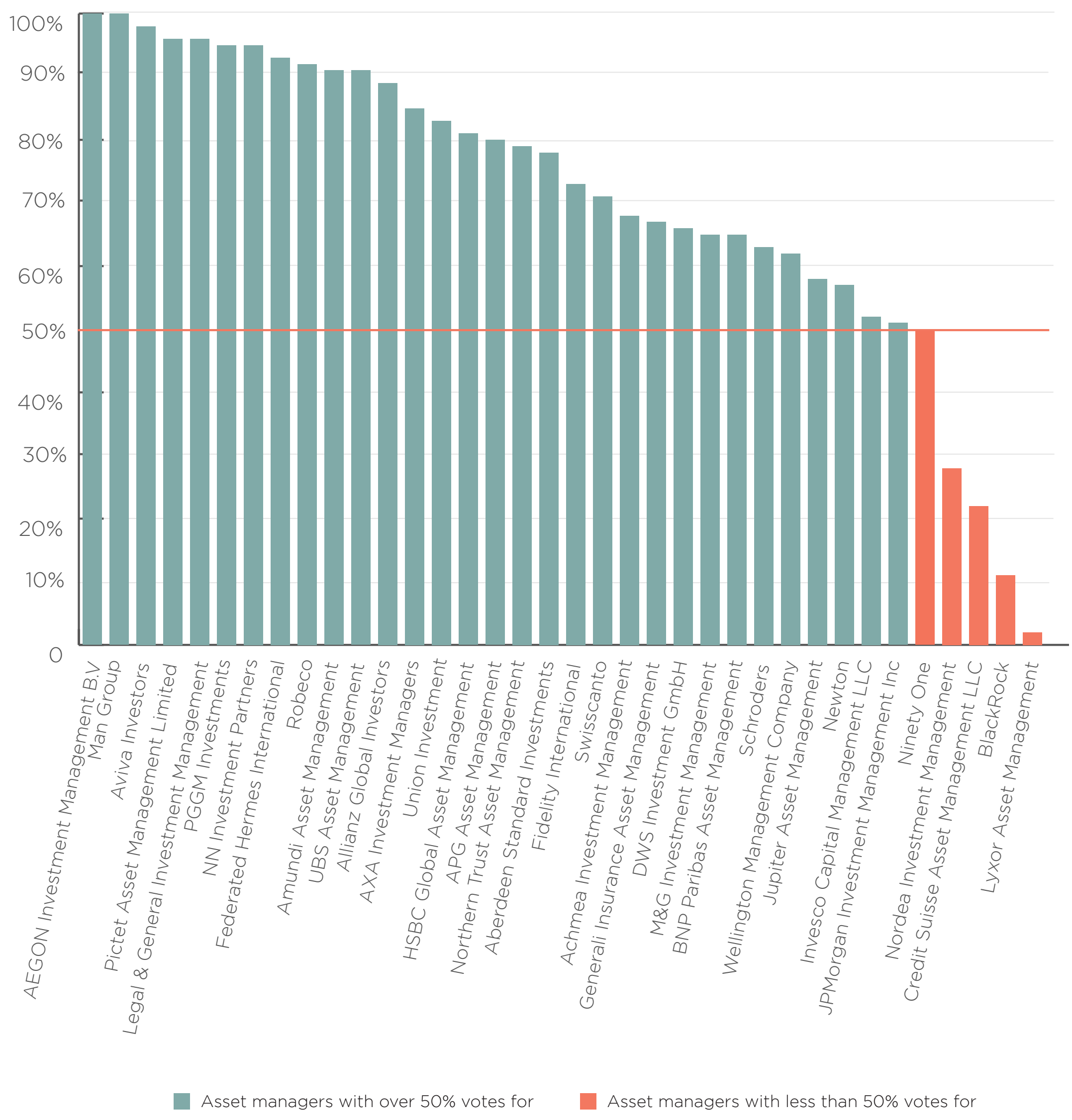
Despite the SEC's recent clampdown on shareholder rights, the 2020 AGM season has seen a slight increase in action-oriented resolutions on climate change. Some of these will be discussed in more detail in the sections below.

Section 2: Climate Findings

Finding 6: A number of Climate Action 100+ members fail to vote for climate action, although CA100+ members have better voting records on average than non-CA100+ members.

Climate Action 100+ (CA100+) is an investor initiative, which aims to engage with the world's largest emitters of carbon. 37 of the asset managers included in the report are members of the CA100+ initiative. On average, their voting performance is better than the voting performance of non-members, with CA100+ members and non-CA100+ members supporting 69 per cent and 39 per cent of climate resolutions on average, respectively. A notable exception is Impax Asset Management, which scores at the top of the ranking but is not a CA100+ member. Furthermore, this analysis found that five CA100+ members, namely Nordea Investment Management, BlackRock, Lyxor Asset Management, Credit Suisse Asset Management, LLC and Ninety One voted for 50 per cent of climate resolutions or less. Two CA100+ members, Invesco and JPMorgan Asset Management, ended up just above the 50 per cent threshold, voting for 51 and 52 per cent of all climate resolutions respectively.

Figure 4: Average votes for climate resolutions by CA100+ members



Finding 7: Private engagement can stand in the way of climate action

Proxy voting is one of the most cost-effective and impactful engagement tool at asset managers' disposal and a key component of an effective stewardship approach. Yet, analysis of the voting rationales provided by asset managers reveals that a number of asset managers continue to abstain or vote against climate resolutions due to ongoing engagement with the company. For example, an asset manager stated that it did not vote for a resolution because "*an ongoing engagement with the company is in place addressing the same topics*" and it would prefer "*not to undermine good relationships in place*". The case study below outlines how private engagement might sometimes stand in the way of more ambitious climate action.

This is a disappointing trend, which considers voting to be a negative action, despite the impact of voting having been widely been demonstrated.[xlii] ShareAction believes that voting should be used in conjunction with private engagement as a way to support conversations.

Case Study: Total SA

Ask: Set Greenhouse Gas Targets aligned with the goals of the Paris Agreement
Resolution: A
AGM date: 29 May 2020
Result: 16.8 per cent For / 83.2 per cent Against

In April 2020, a group of 11 investors representing 1.35 per cent of Total's shareholder capital filed a resolution at the French oil major. The resolution asked Total to set medium- and long-term absolute emissions reduction targets in line with the goals of the Paris Agreement, covering its Scope 1, 2 and 3 emissions.[xliii] This resolution was the first climate change resolution to be voted on at a French company, and the first to ask an oil major to set absolute targets.

In response to shareholder pressure from both CA100+ and the proponents of the resolution, Total announced an ambition to align its Scope 1 and 2 emissions, and its Scope 3 emissions in Europe, by net-zero by 2050 or sooner. It also set an ambition to reduce the average carbon intensity of its energy products used worldwide by 60 per cent or more by 2050. The announcement was made jointly with CA100+.[xliv]

Total's announcement fell short of the ambition of the shareholder resolution, and of what is required by oil and gas companies to meet the goals of the Paris Agreement. For example, Total's ambition does not cover the company's Scope 3 emissions outside of Europe, and did not lead the oil major to update its already weak carbon intensity target of 15% by 2030.[xlv] Despite these shortcomings, a large number of investors decided to abstain or vote against the resolution to give the company credit for its net zero ambition.

Eight asset managers referred to Total's engagement with CA100+ as a reason for voting against the resolution. Five of them specifically referred to the initiative, whereas the remaining three referred to their support for the joint investor statement, without directly naming CA100+, and the company's responsiveness to engagement as a reason to vote against this resolution. For example, one asset manager stated that they voted against the resolution as "*[it supports] the company's updated strategy to reduce its carbon footprint. This stance was formed by [its] membership of the Climate Action 100+ investor coalition, which continues to engage with the company on its approach to climate change*." Another investor mentioned that it had voted against the resolution because Total had "*successfully engaged with CA100+ and is open to further interactions" and another stated that "when taking into account the progress done, it is only fair to recognise the advances made by the company and CA100+ engagement*".

Whilst a number of asset managers said they would monitor the development of future targets and plans, particularly around Scope 3 emissions reductions in non-EU regions, others seem satisfied with its scope.

Schroders' latest Climate Progress Dashboard[xlvi] estimates that the oil and gas industry "still invests much more in developing new capacity than will be required under Paris Accord commitments", and their activities are compatible with a 4-5.6°C world. Given the scale of the crisis, and the urgency to act, it is concerning that some investors shy away from voting on climate critical resolutions at oil and gas companies on the basis of engaging with them privately.

Finding 8: Asset managers are sometimes unwilling to vote on resolutions filed at companies they consider to be leaders – despite the inadequacy of these companies' climate strategies.

A large number of rationales justified not voting for a resolution on the basis that a company was doing more on climate than its peers.

For example, '*The Company is recognised as one of the industry leaders in its climate reporting*'. Another asset manager stated, '*In light of the company's leading climate strategy relative to its peer group, we do not see the merit in imposing additional short-term targets at this time*'.

It is of course positive if a company is already taking action on climate. However, if that action remains wholly insufficient with what is required to meet the goals of the Paris Agreement, its climate performance relative to its peers should not influence the votes of asset managers. Voting for a resolution that asks a company to do more than what it is currently doing, will send a strong signal to the company and the sector as a whole of what is required to meet investors' expectations on Paris alignment. Furthermore, it might empower staff members that are pushing a similar agenda internally.

Finding 9: Banks are under pressure from investors to act on climate

The financial sector both reflects and shapes the real economy. In the context of the low-carbon transition, banks have a critical role to play. Yet, given their relatively low operational emissions, banks have for a long time been considered passive actors in the climate crisis.

However, this perception is changing rapidly as awareness of the scale of banks' financing of the fossil fuel industry grows.[xlvii] The past couple of years has seen a growing movement of citizens asking banks to curb their fossil fuel financing,[xlviii,xlix] and investors becoming increasingly vocal about banks' financing of coal and extreme fossil fuels such as oil sands.[l,li] The world's largest asset manager, Blackrock, recently indicated that it planned to increase its engagements with banks and other financial institutions going forward.[lii]

Banks have started to respond. Whilst its analysis captures other types of financial institutions, such as development banks and insurers, IEEFA recently estimated that the number of major financial institutions to introduce exclusion policies on unconventional oil and gas rose from three in 2017 to 50 in 2020.[liii] Furthermore, over 100 globally significant banks and insurers have announced their divestment from coal mining and/or coal-fired power plants.[liv] However, a large majority of these policies remain ineffective at curbing financing of the highest emitting fossil fuels and companies. Reclaim Finance estimates that out of the 214 financial institutions included in its Coal Policy Tool, only 16, including AXA, Credit Agricole/Amundi, and Unicredit, have a robust coal phase-out policy.

During the 2020 AGM season, a number of high-profile resolutions on climate change were filed at Canadian, European, and US banks. These resolutions have tended to be more action-oriented in nature, and to focus on the banks' financing of high-carbon industries.

These resolutions could present challenges to asset managers. Indeed, some of them might be confronted with similar asks due to similarities in business models, and/or even belong to the asset management arm of a bank, triggering potential conflicts of interest or fear of retaliation. Encouragingly, as the chart below illustrates, this has not deterred some of these asset managers from voting in favour of action-oriented resolutions at banks. Amundi Asset Management (owned by

Credit Agricole) voted for six out of eight of these resolutions, and BNP Paribas Asset Management (owned by BNP Paribas Group) voted in favour of the five resolutions it voted on. A number of asset managers, including Federated Hermes International, Impax Asset Management, Legal and General Investment Management, Man Group, NN Investment Partners, Pictet Asset Management, PGGM Investments and Swisscanto, stand out for consistently voting in favour of action-oriented climate change resolutions at banks.

Figure 5 – How asset managers have voted on climate resolutions at banks

Key:
- Voted For
- Split Vote
- Voted against, abstained or didn't vote
- No holding or missing data

Asset Manager	Ranking	Bank of Montreal 3	Barclays PLC 29*	Barclays PLC 30	Citigroup Inc. 7	JP Morgan Chase & Co 5	JP Morgan Chase & Co 6	Mizuho Financial Group Inc. 5	Toronto Dominion Bank (The) C
AEGON Investment Management B.V	100%	✓	✓	/	✓	✓	✓	✓	✓
Impax Asset Management	100%	✓	—	—	✓	✓	✓	✓	✓
Man Group	100%	✓	✓	✓	✓	✓	✓	✓	✓
NN Investment Partners	100%	✓	✓	✓	✓	✓	✓	✓	✓
PGGM Investments	100%	✓	✓	✓	✓	✓	✓	✓	✓
Pictet Asset Management Limited	100%	✓	✓	✓	✓	✓	✓	✓	✓
Federated Hermes International	100%	—	—	—	✓	✓	✓	—	✓

Swisscanto	100%	✓	✓	✓	✓	✓	✓	✓	✓
Legal & General Investment Management	100%	✓	✓	✓	✓	✓	✓	✓	✓
Allianz Global Investors	88%	✓	✓	✗	✓	✓	✓	✓	✓
Aviva Investors	88%	✓	✓	✗	✓	✓	✓	✓	✓
Generali Insurance Asset Management	88%	✓	✓	✓	✗	✓	✓	✓	✓
Robeco	88%	✗	✓	✓	✓	✓	✓	✓	✓
Jupiter Asset Management	80%	—	✓	✓	✗	✓	✓	—	—
AXA Investment Managers	75%	✓	✓	✗	✓	✗	✓	✓	✓
Newton	75%	—	✓	✓	✗	—	—	—	✓
Amundi Asset Management	75%	✗	✓	✓	✓	✓	✓	✓	✗
Liontrust Asset Management	67%	—	✓	✗	—	—	✓	—	—
Aberdeen Standard Investments	63%	✗	✓	✓	✗	✗	✓	✓	✓
BNP Paribas Asset Management	63%	✓	✗	✗	✗	✓	✓	✓	✓

Asset Manager	Ranking	Bank of Montreal 3	Barclays PLC 29*	Barclays PLC 30	Citigroup Inc. 7	JP Morgan Chase & Co 5	JP Morgan Chase & Co 6	Mizuho Financial Group Inc. 5	Toronto Dominion Bank (The) C
Northern Trust Asset Management	63%	✗	✓	✓	✗	✓	✓	✓	✗
Union Investment	63%	✗	✓	✓	✓	✗	✓	✓	✗
Nordea Investment Management	63%	✗	✓	✓	✗	✓	✓	✓	✗
M&G Investment Management	63%	✗	✓	✓	✗	✓	✓	✓	✗
Royal London Asset Management	57%	—	✓	✗	✓	✗	✓	✗	✓
Credit Suisse Asset Management LLC	50%	—	—	—	—	✗	✓	—	—
DWS Investment GmbH	50%	✓	✗	✗	✓	✓	✗	✗	✓
HSBC Global Asset Management	50%	✗	✓	✗	✓	✗	✓	✓	✗
JO Hambro Capital Management	50%	—	✓	✗	—	—	—	—	—
La Banque Postale Asset Management	50%	✗	✓	✓	✗	✓	✓	✗	✗
Ninety One	50%	—	✓	✗	✗	✗	✓	✓	—

Asset Manager	Ranking	Bank of Montreal 3	Barclays PLC 29*	Barclays PLC 30	Citigroup Inc. 7	JP Morgan Chase & Co 5	JP Morgan Chase & Co 6	Mizuho Financial Group Inc. 5	Toronto Dominion Bank (The) C
Swiss Life Asset Managers	50%	—	✓	✗	✗	✗	✓	✓	—
UBS Asset Management	50%	✗	✓	✗	✓	✓	✗	✓	✗
Fidelity International	50%	✗	✓	✗	✗	✗	✓	✓	✓
APG Asset Management	50%	✗	✓	✗	✗	✓	✓	✓	✗
Goldman Sachs Asset Management LP	38%	✗	✓	✗	✗	✗	✓	✓	✗
Invesco Capital Management LLC	38%	✗	✓	✗	✗	✗	✓	✓	✗
Schroders	38%	✗	✓	✗	✗	✗	✓	✓	✗
Wellington Management Company	38%	✗	✓	✗	✗	✓	✓	✗	✗
State Street Global Advisors	38%	✗	✓	✗	✗	✗	✓	✓	✗
Mondrian Investment Partners	33%	—	✓	✗	✗	—	—	—	—
Nuveen Asset Management	33%	—	—	—	✗	✗	✓	—	—

Asset Manager	Ranking	Bank of Montreal 3	Barclays PLC 29*	Barclays PLC 30	Citigroup Inc. 7	JP Morgan Chase & Co 5	JP Morgan Chase & Co 6	Mizuho Financial Group Inc. 5	Toronto Dominion Bank (The) C
Fidelity FMR	29%	✗	✓	✗	✗	✗	✓	—	✗
Achmea Investment Management	29%	✗	✓	✗	✗	✗	✓	—	✗
T. Rowe Price Associates Inc	25%	✗	✓	✗	✗	✗	✗	✓	✗
JPMorgan Investment Management Inc	20%	✗	✓	✗	/	✗	/	✗	/
Capital Group	17%	✗	✓	✗	✗	/	✗	—	✗
BlackRock	13%	✗	✓	✗	✗	✗	✗	✗	✗
Lyxor Asset Management	13%	✗	✗	✗	✗	✗	✗	✓	✗
Vanguard Group	13%	✗	✓	✗	✗	✗	✗	✗	✗
Eurizon Capital	0%	✗	✗	✗	✗	—	—	—	✗

* Barclays PLC 29 backed by management

** Baillie Gifford, Deka Investment, Ostrum Asset Management, and Walter Scott Global Investment Management were excluded from this analysis as they didn't own any of the banks in scope

Case study: Barclays

Ask: Align Fossil Fuel Financing with the Goals of the Paris Agreement
Resolution number: 30
AGM date: 07 May 2020
Voting result: 24 per cent

A group of 11 institutional investors, coordinated by ShareAction, filed a shareholder resolution at Barclays in January 2020. The resolution asked the bank to publish a plan to gradually reduce the provision of financial services (including project finance, corporate finance, and underwriting) to companies in the energy sector, and to gas and electric utilities that are not aligned with the goals of the Paris climate Agreement. It was the first investor-backed resolution on climate change to be filed at a mainstream European bank.[lv]

The resolution followed a four-year engagement process with the bank, including numerous private meetings, AGM questions on the bank's climate activities, and a letter backed by investors representing US$1 trillion, which was sent to Barclays in May 2019.[lvi] Barclays was singled out for being Europe's largest financier of fossil fuels since the Paris Agreement was signed, and for having an energy policy far weaker than its European peers.[lvii]

The resolution received support from major investors quickly, with one of the bank's top 20 shareholders expressing support for the resolution on the day it was announced.[lviii] Amundi, the Church of England Pensions Board, Edentree Investment Management, Jupiter Asset Management, and Nest, all pre-declared their intention to vote for the resolution early.[lix,lx,lxi] The Investor Forum, a group that represents the UK's largest investors, also indicated that Barclays' approach to climate change was now a priority for them.[lxii]

In response to positive pressure from shareholders and other stakeholders, Barclays became the first mainstream bank to announce an ambition to be a net zero bank by 2050, covering its scope 1, 2 and 3 emissions. In a highly unusual move, the bank also put this proposal to a formal vote (Resolution 29). Resolution 29 had a greater focus on 'transition' whereas Resolution 30 asked for a gradual phase out of financing to Paris misaligned companies in the energy and utility sectors.[7] ShareAction urged investors to vote for both resolutions to cement the bank's long-term ambition whilst at the same time insisting on the need for short-term action, especially on the highest carbon fuels, to which Barclays has significant exposure.[lxiii]

Analysis of the voting decisions and voting rationales collected by ShareAction suggests that a large group of asset managers welcomed Barclays' net zero ambition and recognised it as a sector-leading move. However, the asset managers that voted for both resolutions cautioned that it needed to be backed up with short-term action on phasing out financing to energy and utility companies whose activities are not aligned with the goals of the Paris Agreement. Others decided to abstain or vote against the shareholder-led resolution given the company's commitment to provide additional details on its climate strategy in November 2020. Some raised legal concerns about the possibility of both resolutions passing. Finally, a handful of asset

7 The wordings of Resolutions 29 and 30 are available here: https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/AGM2020/NOM-2020.PDF

managers voted against the shareholder-led resolution because it was considered overly prescriptive, with one noting that "*the company should be able to choose a strategy which is suitable for its context and current position*."

Since the Barclays AGM, a growing number of banks have published net zero ambitions and/or commitments to engage with their clients on net zero, including HSBC, JPMorgan, Morgan Stanley and TD Bank. These net zero ambitions have been welcomed with caution, with investors raising concerns about the lack of credible short-term plans to phase out support to coal and high-carbon activities that are not aligned with the goals of the Paris Agreement.[lxiv]

Finding 10: Companies have started to respond to investors' increased interest in and support for resolutions on climate-related lobbying

In recent years, the topic of corporate climate lobbying has shifted beyond the remit of ESG analysis to become a feature of mainstream investor concern.

CA100+ has been one of the most active investor voices on the topic. Back in 2018, a group of CA100+ members representing US$2 trillion in assets, led by the Church of England Pensions Board and Swedish pension fund AP7, sent letters to the 55 European focus companies of CA100+, which focused on the companies' direct and indirect climate-related lobbying activities.[lxv] In September 2019, similar letters were sent by 200 institutional investors with a combined US$6.5 trillion in assets to 47 of the largest publicly listed US companies. The letter asked companies to align their climate lobbying with the goals of the Paris Agreement.[lxvi] During the 2020 AGM season, eight out of 12 resolutions filed by CA100+ leads at focus companies targeted corporate lobbying.[lxvii] In September 2020, the initiative wrote to the chairs and CEOs of its 161 focus companies calling on them to develop net-zero strategies backed by science-based targets. Companies' climate strategies will be assessed by CA100+'s Net Zero Company Benchmark, which contains the following indicators: ambition, targets and goals, decarbonisation strategy, capital alignment, climate policy support (including via a company's direct and indirect lobbying activities), governance, just transition and TCFD reporting.[lxviii] The Interfaith Centre for Corporate Responsibility (ICCR) has also launched a new 'Net Zero by 2050' initiative, which aims at '*encouraging companies to advance public policies consistent with the Paris accord*" and persuading companies *"to align their trade association memberships with the goals of the Paris accord*'.[lxix]

While a number of companies have committed to review their trade association memberships, such as oil majors BP and Shell, and mining giants Rio Tinto and BHP, the real test will be whether these companies take credible action based on the outcomes of their reviews. Some institutional investors have already indicated that they are serious about their commitment to eradicate harmful lobbying. For example, Norway's largest private asset manager, Storebrand, a CA100+ member, lost patience with five companies over their perceived lobbying activities against climate action, and divested from oil majors Exxon Mobil and Chevron Corporation, mining giant Rio Tinto, gas utility Southern Company, and German chemical firm BASF.[lxx]

Shareholder resolutions on climate-related lobbying have traditionally focused on disclosures. Examples include asking companies to disclose payments made to trade groups, or to undertake a review of the positions of their trade associations on climate change. The past year has seen an increased in the sophistication and ambition of these resolutions.

While encouraging, these moves are not supported by all asset managers. The past year has seen a number of asset managers publish voting policies that do not support lobbying proposals. For example, Goldman Sachs Asset Management's voting policy state that, '*GSAM generally will vote AGAINST proposals asking for detailed disclosure of political contributions or trade association or lobbying expenditure*'.[lxxi]

Case Study: Paris-aligned lobbying resolution at BHP Billiton Plc & Ltd (thereafter BHP)

Ask: Make lobbying consistent with the goals of the Paris Agreement
Resolution number: 22
Year: 2019
Voting result: 22.16 per cent at the UK AGM and 27.07 per cent at the Australian AGM

The shareholder resolution was filed by the Australasian Centre for Corporate Responsibility (ACCR) and a group of institutional investors, namely Actiam, the Church of England Pensions Board, Grok Ventures, MP Pension (now AkademikerPension), and Vision Super. The resolution followed years of engagement by ACCR and some of the other co-filers. In a note to PRI members, the institutional co-filers noted that they "*acknowledge that BHP has in its own right been a leader within its sector in addressing climate change and in supporting the Paris Climate Agreement. However, [they] remain deeply concerned that a significant area where the pace of action has been too slow is in addressing the misalignment of the lobbying by [BHP's] trade associations*".[lxxii]

BHP has a score of 'D-' on InfluenceMap's database. InfluenceMap notes that, "BHP has consistently communicated top-line support for the Paris Agreement and policy action on climate change between 2017-2020". However, "*other communications from BHP appear to dilute the level of climate policy ambition supported by the company*". Furthermore, it raises concerns about the company's membership of "*highly oppositional groups*".[lxxiii] Analysis by ShareAction found clear evidence of material differences between BHP's position on climate change and the activities of its industry associations such as the Minerals Council of Australia, the Business Council of Australia and the US Chamber of Commerce.[lxxiv]

Analysis of asset managers' voting rationales shows various interpretations of whether BHP is doing enough to identify and address obstructive lobbying by some of its trade associations.

A large group of asset managers voted against the shareholder resolution on the basis of the positive efforts made by BHP to review industry associations and criticised the resolution for not giving enough credit to the company for the steps it has taken to address obstructive lobbying on climate. Other asset managers did not seem convinced by the positive impact BHP's efforts had achieved. Indeed, an asset manager stated that, "*engaging from within trade associations is a perfectly legitimate action but this does not seem to have brought any results with certain industry associations*" as a justification to vote for the resolution. Another asset manager stated that they "*held concerns on the effectiveness of BHP's governance over the industry associations, where they're a major funder, advocacy on climate change and energy policy being misaligned with BHPs own pro Paris positioning*". An asset manager also specifically raised concerns about the risks, including reputational risks, of BHP continuing to be a member of obstructive trade associations.

A couple of asset managers mentioned the company's willingness to engage with CA100+ as a reason to vote against the resolution. Others welcomed the company's willingness to engage and recognised the steps taken by the company on the issue of transparency but believed that further action should be taken and thus a vote 'For' was warranted.

While the resolution did not pass, it catalysed discussions in the investment community about the importance of scrutinising companies' direct and indirect lobbying activities, and further moved the company in the right direction. In December 2019, BHP published an updated review of its trade association memberships. In August 2020, BHP published new 'Global Climate Policy Standards', which outline the company's expectations of its industry associations' lobbying on climate policy. The publication of this framework was the result of extensive consultation with investors.[lxxv] BHP also committed to monitor the industry associations 'in real time' to make sure activities are aligned with its own positions.[lxxvi] Finally, in October 2020, the mining giant suspended its membership of the Queensland Resources Council over state election advertisements urging people to "*vote the Greens last*".[lxxvii] These moves were welcomed by investors, a clear case that investors' understanding regarding the impact that lobbying can have on climate-related policy is evolving – for the better.

Following the 2019 resolution at BHP, a group of institutional investors led by BNP Paribas Asset Management filed shareholder resolutions on Paris-aligned lobbying at US companies, including Chevron. Again, these resolutions were more action-oriented and specific than previous resolutions filed on lobbying at US companies. This did not deter investors from supporting them. Indeed, the resolution at Chevron passed with 53.5 per cent of investors voting in favour. "*This landmark vote at Chevron signals an evolution of investor concerns about corporate lobbying activities. Lobbying that is inconsistent with the goals of the Paris Agreement presents a direct threat to our portfolios, our economies, and our clients*", said the Head of Stewardship for the Americas at BNP Paribas Asset Management.[lxxviii]

Section 3: Social Findings

Finding 11: Despite the rhetoric on Covid-19 increasing the focus on the 'S' of ESG, there is little evidence of it affecting voting decisions.

This year the Covid-19 pandemic has brought into sharp focus the 'S' of ESG and underlined the material risks related to the treatment of workforces. Key workers, who ensure our societies can continue to function, have been exposed to health and safety risks amidst concerns about social distancing and access to Personal Protective Equipment (PPE). Concern has been pronounced in food production, logistics and apparel supply chains.

Given this context and the widespread material risks related to Covid-19, one would expect to see a response to Covid-19 in asset managers' voting records and rationales. To understand whether Covid-19 had an impact on voting decisions, resolutions were selected both before and after the WHO declared Covid-19 a pandemic, in March 2020.

The resolutions that were deemed directly relevant to the Covid-19 pandemic were human rights due diligence resolutions in companies operating in sectors with known health and safety issues such as food retail and production. These companies include Amazon, Kroger, Loblaw, Pilgrim's Pride, Sanderson Farms and Tyson Foods. Of these, the AGMs of Tyson Foods and Sanderson Farms were held in February, before the Covid-19 pandemic took hold, but others in the list were held when the first wave of infections worldwide was at its zenith. While the sample of companies is small, it is surprising that there was no correlation between support for resolutions on human rights and the effects of Covid-19.

Voting rationales were also examined to see if they referenced the pandemic. It is perhaps disappointing that, despite some companies' supply chains and workplaces being vulnerable to Covid-19 transmission (and the relevance of human rights due diligence resolutions), no rationales referenced the pandemic. A case study on Tyson Foods, where the resolution had a direct relevance to the safety of workers during the pandemic, but was voted on in February before the pandemic took hold, is explored in more detail below.

Perhaps the 2020 AGM season was too early to see any noticeable impact of Covid-19 on voting behaviour. However, it will be interesting to see if investors' voting practices on social issues change going forward.

Case Study: Tyson Foods

Ask: Report on Human Rights Risk Assessment Process
Resolution Number: 6
AGM date: 6 February 2020
Result: 14.6 per cent For / 85.4 per cent Against

Tyson Foods is one of the world's largest suppliers of chicken, beef and pork, as well as prepared foods. This resolution highlighted the company's responsibility to undertake a Human Rights Due Diligence process in line the UN Guiding Principles on Business & Human Rights. It noted "*As the largest industrial meat producer, Tyson faces significant human rights risks, impacting the rights of workers and farmers, and the rights to health, water and safe environment.*" The resolution continues: "*Rapid line speeds and demands to increase productivity put poultry workers at risk of serious labour rights violations, including risk and (sic) or chemical exposure resulting from inadequate safety gear or training. These conditions may enable poor food safety practices and adverse health impacts*" and "*Tyson recently expanded its international footprint into new geographies that may present unique human right risks. For example, in the Thai poultry industry there are reports of forced labour, wage and hour violations, poor worker health and safety, which may impact Tyson's workforce*".

Investor rationales in support of this resolution noted, for example, that: "*The Company's current level of disclosure concerning its human rights due diligence processes, particularly in relation to its contract growers is insufficient and due to the potential reputational and regulatory risk posed, this resolution warrants support*". In contrast, rationales against thought the resolution was too prescriptive.

While the AGM was held in February 2020, prior to the announcement of the Covid-19 pandemic, it was subsequently reported in the New York Times in July that over 10,000 workers in Tyson Foods had contracted Covid-19. Meat processing plants were also identified as significant infection locales.[lxxix] A stronger due diligence process conducted by Tyson Foods may have put the company in a better place to respond to Covid-19 when it occurred.

Finding 12: Support for diversity resolutions is higher than for those on human rights and pay gaps

If investor voting records are compared across the social sub-categories of human rights, diversity and pay gap reporting, some interesting patterns emerge. The levels of investor support are highest for diversity reporting resolutions, with an average of 77 per cent[8] supported by investors, followed by human rights resolutions, with an average 59 per cent[9] and pay gap reporting, with an average of 43 per cent.[10]

The only social resolutions in the sample that passed were all in the diversity category (Fastenal, Fortinet and Genuine Parts). All of these were asking companies to improve their diversity reporting.

8 Mean average (Median average was 83 per cent)
9 Mean average (Median was 59 per cent)
10 Mean average (Median was 33 per cent).

Rationales provided by investors in support of diversity reporting stated: "*additional diversity-related disclosure would allow shareholders to better assess the effectiveness of the company's diversity initiatives and its management of related risks*". Furthermore: "*public disclosure would not be excessively onerous. The resolution also encourages disclosure of additional relevant metrics identified by SASB which would enhance shareholder insight, notably in relation to litigation risk*".

Figure 6: Investor support for diversity resolutions

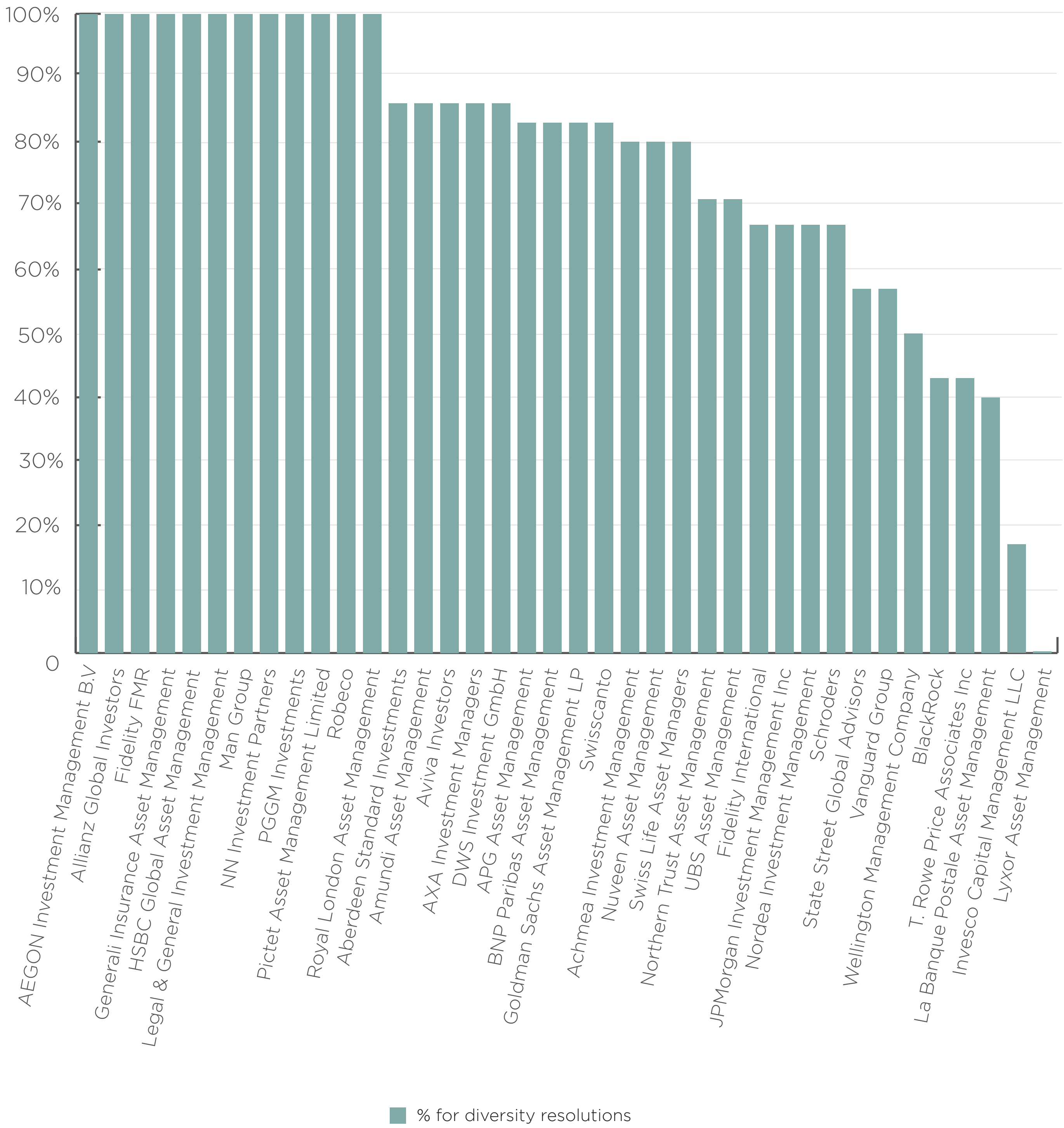


Figure 7: Investor support for human rights resolutions

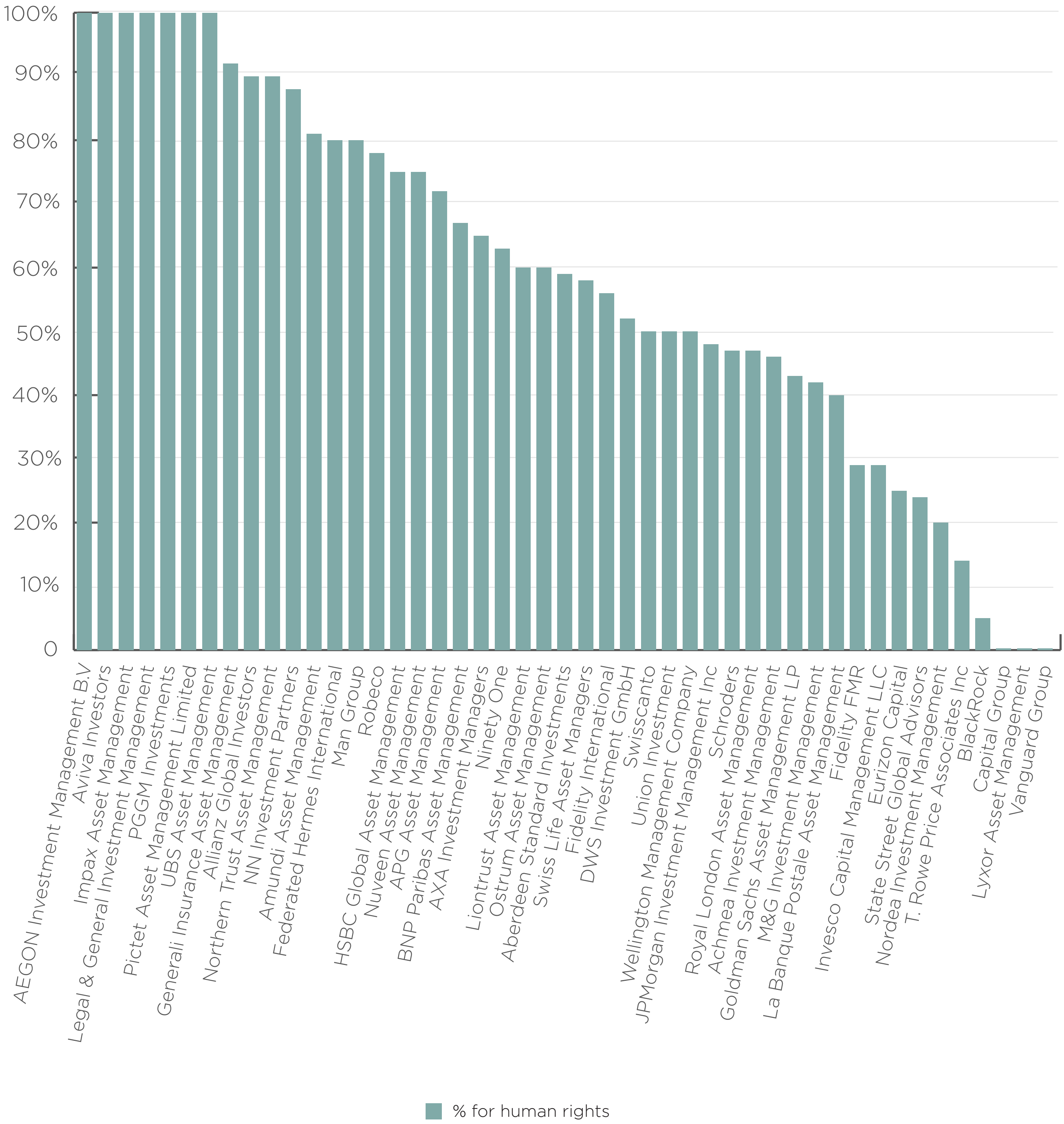
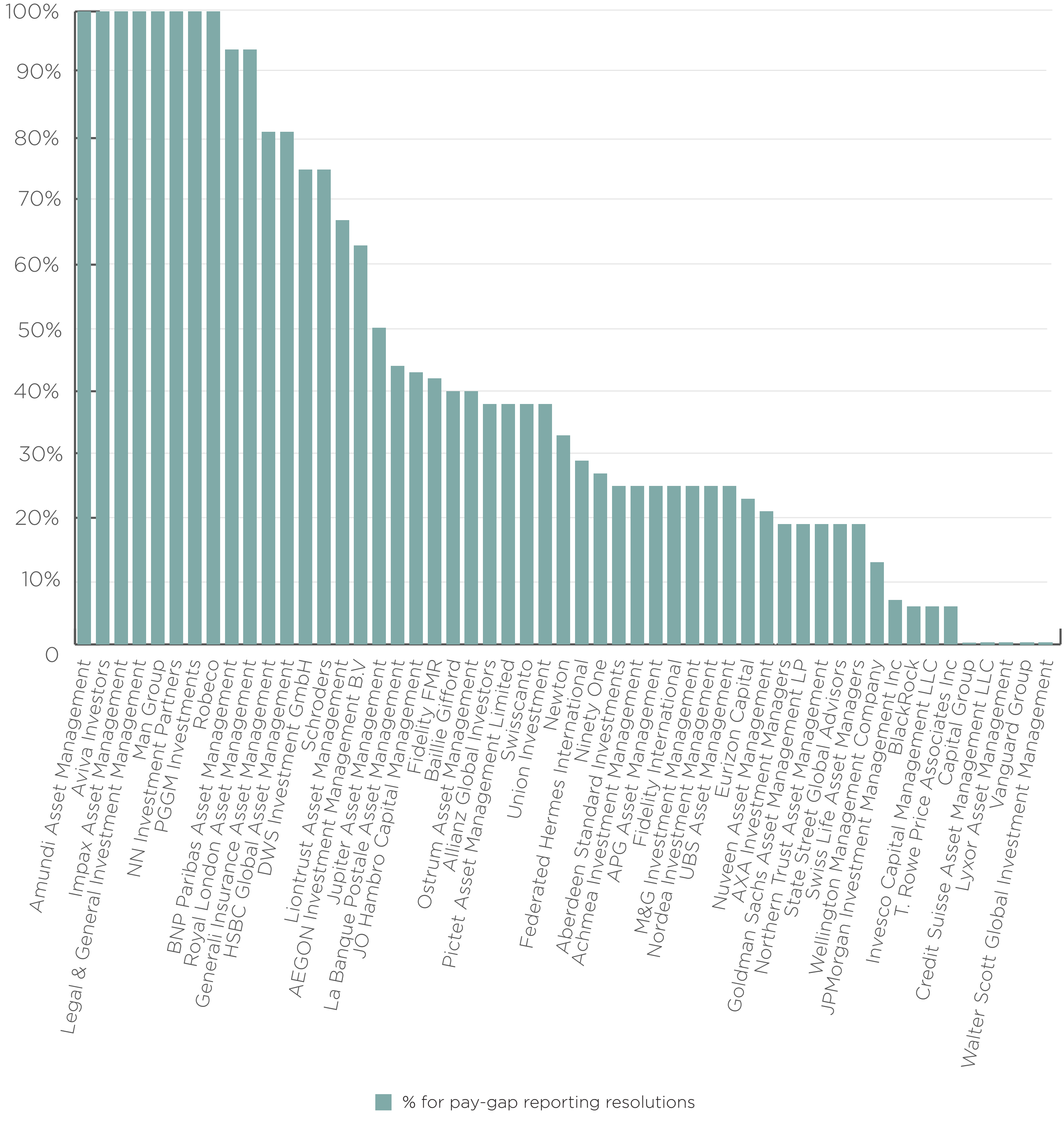


Figure 8: Investor support for pay-gap reporting resolutions



Rationales regarding human rights resolutions were mixed. Some investors noted that the resolutions were in line with the UN Guiding Principles on Business and Human Rights, increased transparency and provided better oversight on material risk. However, there was divergence of opinion on whether companies were doing enough to warrant support for a resolution. Even if the principles of the resolutions were agreed with, some investors stated that approaches were sufficient. Furthermore, the wording of the resolution and whether it was prescriptive was an important consideration as to whether an investor supported it. Consider this rationale 'Against' a human rights due diligence process at Tyson Foods: "*The company is being asked to report on its human rights due diligence process. A vote 'against' is warranted as the proposal is deemed prescriptive … We will engage instead to encourage the company to provide additional transparency*". Another example is this rationale against a human rights report at General Motors: "*The Company's current human rights-related disclosure is adequate. Further, the proponent has not provided compelling evidence that the Company's current policies, procedures or practices with respect to human rights represent an imminent threat to shareholder value*".

Resolutions on pay gaps requested reporting on pay disparity, gender pay gaps and racial pay gaps. The distribution of support for pay gap resolutions shows a clear group of eight leaders who have supported 100 per cent of resolutions and 16 that have supported at least 75 per cent, but after this group support falls sharply. The investment industry's own performance and practice is often poor in this area. In the UK, the investment industry has the second largest industry gender pay gap.[lxxx] This may be one reason investors show less support for resolutions on this topic. However, when cross-referencing investor support for pay resolutions with the gender pay gaps in their own operations, no correlation could be found. The section below explores lower support from investors for resolutions calling for a global median gender and racial pay gap. This may also contribute towards the lower score in the social section.

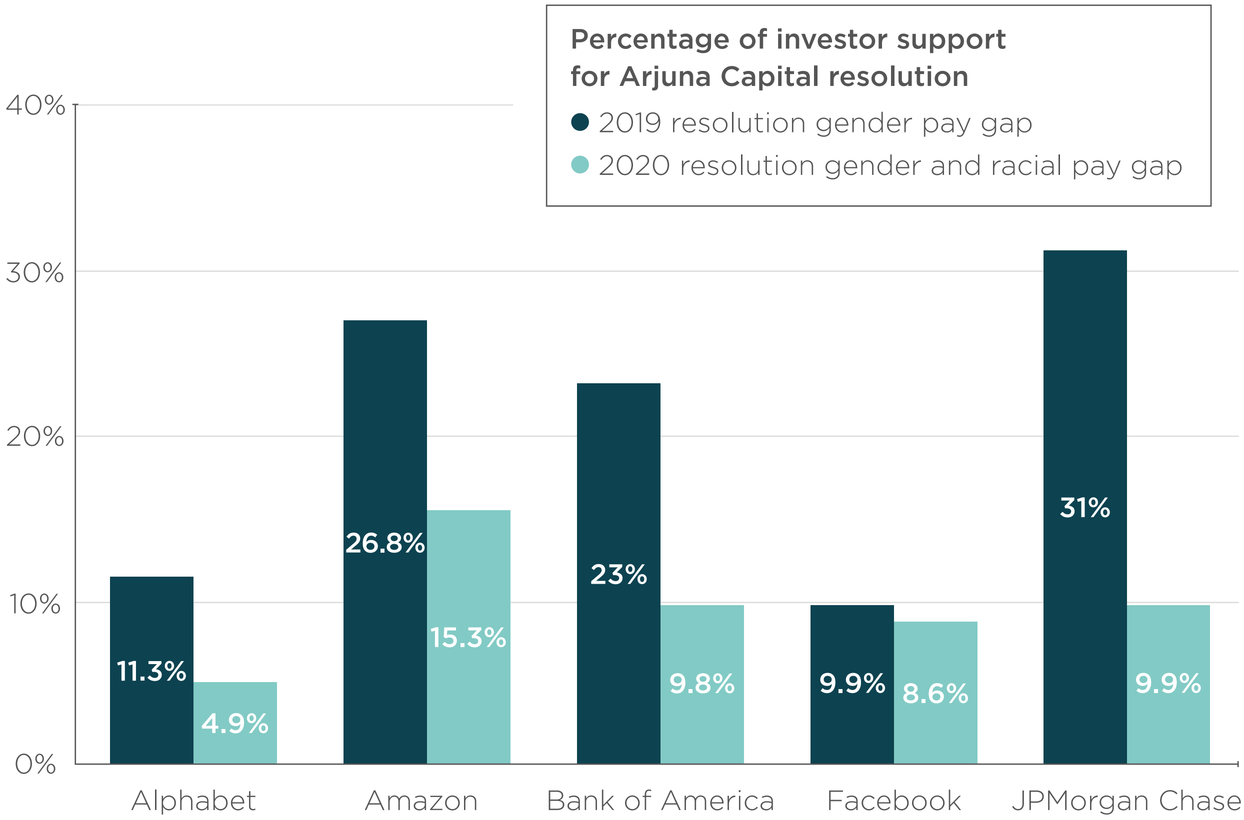
Finding 13: Investors showed less support for resolutions requesting companies to disclose both gender and race pay gaps, than for gender pay gap only.

Six of the resolutions included in this research requested the company to report their global median gender and racial pay gaps, while a further seven resolutions requested that the company reports on their gender pay gap only. Comparing the resolutions included in this analysis, investors showed higher level of support for the gender pay gap only resolutions. On average, 29 per cent of investors in this analysis voted for resolutions asking companies to disclose a gender and racial pay gap, compared to an average of 54 per cent voting on resolutions that request a gender pay gap only.

Case Study: Resolutions filed by Arjuna Capital

Arjuna Capital is the most prolific filer of shareholder resolutions regarding pay gaps. In 2020 it filed the same resolution calling companies to disclose a median gender and racial pay gap at 13 companies.[lxxxi] The resolution requested the companies to "*report on the global median gender/racial pay gap, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent*". Arjuna also filed at a lot of the same companies in 2019, however the wording and request of the resolution was different. Previously they had asked six companies to disclose their median gender pay gap only and a further six requested them to report on the "*the risks to the company associated with emerging public policies addressing the gender pay gap*".[lxxxii] The below table compares investor support for the resolution requesting the gender pay gap in 2019, with support for the one requesting both gender and racial pay gaps. Investor support for the resolution declined at all companies.

Figure 9: Investor support declines in 2020 regarding gender and racial pay gaps*



* Note: These figures are from all asset managers voting on those resolutions not just the ones included in the research

In some countries it is illegal to collect ethnicity and race data. For example, the collection of ethnicity data is banned in France under the law of information and freedom. Many investors stated this as a reason for voting against these resolutions in their rationales, citing that it would therefore make it impossible to calculate a complete global figure. In their voting rationales investors also stated that the different ethnicity and race categories used in different countries would also make it difficult to calculate one global mean figure, and that the figure would be skewed by differing pay rates in different geographies. Therefore, investors believed the resolution "*would not produce meaningful information about worker fairness*". Investors felt that there was "*ambiguity around how the pay gap could be measured on a global basis*". The text of the resolutions filed by Arjuna Capital details a definition of the gender pay gap. However, it does not give a definition for a racial pay gap and provides very little information about how the data should be collected and presented. Due to the wording of the text, the majority of investors had the understanding that the resolution would require one race pay gap figure to be published that would be seen as representative of operations in all geographies. In rationales for voting 'Against' the proposal, many investors stated that while they supported the "*premise*" and "*spirit*" of the resolution, they were unable to support them because of the methodology or lack of details around methodology. Investor rationales therefore show the importance of clear methodology in a resolution's paperwork.

Finding 14: How difficult a resolution is for a company to implement is a key consideration for asset managers.

In their rationales many investors said they voted 'For' various resolutions because they did not think it would be '*difficult*', '*excessively onerous*' or '*burdensome*' for the company to implement. Additionally, resolutions that were more aligned with current legislation often received higher levels of support. On the other hand, a large number of rationales given for voting against social resolutions reference how difficult it would be for a company to implement.

For example, two resolutions, one filed at Genuine Parts Company[lxxxiii] and the other at Charles Schwab Corp, asked the companies to disclose their EEO-1 data to shareholders. EEO-1 is a compliance survey mandated by federal statute and regulations in the United States.[lxxxiv] The resolution at Genuine Parts Company received the highest level of investor support out of all resolutions included in this analysis, with 57 per cent of asset managers voting 'For' and passing with 79.1 per cent of votes. 54% per cent of investors in this analysis voted 'For' the resolution at Charles Schwab Corp; the resolution received 42.6% total support overall. Many of the rationales for both these resolutions state that, as the company is already required to collect the data, it would "not be onerous" for the companies to publish the data for shareholders. For resolutions calling for companies to disclose a global gender pay gap, several investor rationales for voting 'For' referenced that the company was already required to disclose this data for its UK operations. One investor commented that this would make it easy for the company as they have "*experience of publishing such metrics for its UK operations*".

In comparison, a resolution at Amazon calling for the company to report on promotion data only received 12.2 per cent support 'For'.[lxxxv] The resolution would have required the company to report on promotion velocity rates, defined as the time it takes from between promotions, by title, level, gender and racial identities. Rationales given for explaining voting 'Against' this resolution included that the company is not required to disclose this data and that it is not standard practice among peers, despite some investors acknowledging that these statistics would present a fuller picture on how well the company's diversity and inclusion efforts are working.

These examples suggest that investors use current legislation on diversity and pay gap disclosures as a guide to how appropriate a resolution is. Legislation is used as a proxy to how difficult it would be for a company to implement, based on if they are already required to collect some of the data. The rationales given for voting 'Against' the resolution asking Amazon to disclose promotion data suggest that investors may lack the ambition to push companies beyond legislation and standard practice.

A similar pattern emerges when analysing investors' voting rationales on human rights resolutions. One of an investor's key considerations when considering whether to support a resolution on human rights is how burdensome or difficult it would be to implement. There are no mandatory or legislated requirements on human rights reporting in the US, where all the resolutions on human rights were filed. However, voluntary standards and international guidance exists. Resolutions that asked for human rights due diligence reporting in line with these voluntary standards were often considered too prescriptive by investors. The following case study illustrates this with regard to the resolution for Amazon to publish a human rights assessment.

Case Study: Amazon

Ask: Human Rights Risk Assessment
Resolution Number: 15
AGM date: 27 May 2020
31.1 per cent For / 68.9 per cent Against

Amazon is an iconic technology company that has faced concerns about its sourcing practices and human rights in its supply chain. The resolution called Amazon to: "*publish Human Rights Impact Assessment(s), … examining the actual and potential impacts of one or more high-risk products sold by Amazon or its subsidiaries. An Assessment should evaluate human rights impacts throughout the supply chain*".

Amazon in its response stated, "*we have pursued strategies to assess and address human rights risks in our operations that differ from the approach recommended by this proposal. Instead of limiting ourselves to the approach suggested by the proposal, we take a more comprehensive risk-based approach to addressing human rights, evaluating our operations and value chain to identify, prevent, and mitigate adverse impacts*". Amazon committed to communicating about their approach to customers and stakeholders, but fell short of committing to publishing their findings.

Amazon's response seemed to satisfy many investors with 68.9 per cent voting in line with Amazon's recommendation 'Against' this proposal. Rationales 'Against' regularly cited that the "*comprehensive risk-based approach*" made the resolution redundant.

However, examining rationales for investors who voted 'For' suggest a more contested assessment of Amazon's current practices, noting the need for more transparency. Rather than seeing the resolution as redundant, some investors saw the resolution as complementary to the approach that Amazon was taking, backing the requirement for more transparency in this area. Publishing the outcome of due diligence processes is in line with the UN Guiding principles and a clear indicator of the maturity of a company's approach to business and human rights.

Conclusion and recommendations

The report showcases both strong and weak proxy voting activity by asset managers. The leaders demonstrate that proxy voting is a key tool in the stewardship toolkit, whilst laggards disrupt sustainable progress by companies. If stewardship is to be effective resolutions need to pass more easily, which means the Big Three need to improve their voting practices. Resolutions themselves also need to become more ambitious if they are to have an impact. Disclosure will always be a focus of stewardship but it needs to be combined with resolutions which encourage positive real-world impact. The next step for the leaders is to not only support these resolutions but to file them too.

Recommendations for asset managers

The findings of this report are relevant to all asset managers (those covered as well as those not featured in this report) for assessing their own voting performance and identifying key areas for improvement.

We recommend for asset managers to:

- **Recommendation 1:** Use this analysis to assess performance relative to peers, and identify areas for improvement;
- **Recommendation 2:** Develop and strengthen voting policies by explicitly committing to support shareholder resolutions related to ESG issues on a 'comply or explain' basis;
- **Recommendation 3:** Improve transparency on proxy voting by publishing voting policies and voting rationales in a manner that is timely and user friendly;
- **Recommendation 4:** Commit to voting at all AGMs.

Recommendations for asset owners

As stewards of capital for millions of beneficiaries, asset owners have a duty to monitor the engagement activities and proxy voting records of their asset managers. In the UK, trust-based asset owners are required to report on how their RI policies are implemented, which includes stewardship. Voting is a key method of implementation when it comes to stewardship and therefore it is hoped that the findings from this report will give asset owners support and evidence to engage with their asset managers.

- **Recommendation 1:** Use this research to inform their selection and engagement with asset managers

The list of resolutions is not conclusive but it is a great place to start when it comes to asking why asset managers voted a certain way and how their other engagement fits with their voting record. Often asset managers cite that a company is already making progress on the area the resolution refers to. In this case supporting a resolution only encourages the company and cements the direction of travel. Voting should be seen as part of the engagement process and not only for the stocks with the very worst ESG performance.

- **Recommendation 2:** Monitor their asset managers' proxy voting decisions on ESG resolutions and on ordinary resolutions at companies that have shown persistent inaction on climate change and social issues such as pay, diversity, and human rights, and/or reluctance to engage with their shareholders.

Keep monitoring your asset managers' performance on proxy voting and understand the engagement process.

In particular, asset owners should expect their asset managers to:

- Explain through a specific policy the use of 'abstentions' and/or 'special exemptions' during the last 12 months;
- Disclose all voting instructions worldwide. Voting records are a useful tool to check whether claims of ESG engagement are being reflected throughout asset managers' stewardship activities;
- Disclose the rationale behind votes on controversial resolutions (identified by the Investment Association as votes with >20 per cent shareholder rebellion) and all abstentions and special exemptions.

- **Recommendation 3:** Assess and monitor the responsible investment performance and proxy voting records on ESG resolutions of asset managers during the asset manager selection process, using the principles outlined above.

- **Recommendation 4:** Engage with their asset managers to ensure that equal attention is given to social issues as environmental issues in their voting decisions and engagement with companies.

While Covid-19 has brought attention to the 'S' of ESG there remains a lack of engagement activity through voting on social issues. This is clear through the lack of social resolutions filed in Europe. Asset owners should engage with their managers to ensure that due attention is being paid to the filing of social resolutions. In the move to ESG funds being more commonly used by asset owners the methodology behind these funds often screens some of the worst offenders on climate but not necessarily on social factors. This makes engagement and specifically robust stewardship such as voting even more important.

Recommendations for investment consultants

In addition to delegating to asset managers, asset owners rely on their investment consultants' time and expertise to support them with their responsible investment activity. The newly formed UK investment consultants joint working group on sustainability[lxxxvi] can play a key role in the development of stewardship practices. In this light, the following recommendations were designed to be complimentary to those for the asset owners:

- **Recommendation 1:** Develop a system to monitor asset managers' votes and feedback to clients;

- **Recommendation 2:** Engage with asset managers on voting decisions on controversial ESG issues to ensure voting is aligned with consultants' and clients' own values and polices;

- **Recommendation 3:** Engage with asset managers ahead of important shareholder resolutions to ensure attention is being given.

Appendix 1: Methodology

This section outlines the methodology used to select asset managers and shareholder resolutions.

Scoping: Selection of asset managers

The 2020 Investment and Pensions Europe (IPE)'s ranking of the top 500 asset managers[lxxxvii] was used to select asset managers. The asset managers included in this study met one or more of the following criteria:

1. The world's largest 15 asset managers based on AUM.[11]
2. The largest 40 European asset managers based on AUM.[12]
3. The largest 15 UK asset managers based on AUM.[13]

In total, 60 asset managers were selected for this analysis.

Alongside voting data, asset managers were asked to disclose their rationales to explain why they had voted a certain way. The rationales have informed a significant part of the analysis, proving narrative and background to arguments. All the rationales in the report have been anonymised as it was deemed unfair to only publish rationales from asset managers who had allowed their rationales to be made public.

Scoping: Selection of shareholder resolutions

The analysis considers how asset managers voted on shareholder resolutions on climate change, climate-related lobbying, and social issues such as human rights due diligence, pay, and diversity, during the period September 2019 to August 2020. In total, 102 shareholder resolutions were selected. The following two sub-sections outline the steps followed to select resolutions.
This analysis focuses only on shareholder resolutions. 'Shareholder resolutions' and 'resolutions' are used interchangeably throughout this analysis.

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11 BNY Mellon was excluded from the final list because it is the parent company of other institutions that were included in this report, such as Newton Investment Management. PIMCO and PGIM were excluded because they are predominantly fixed income houses.

12 Natixis Investment Managers is a holding company – we included their ESG and asset management subsidiary, Ostrum Asset Management in the analysis. We did not include their other subsidiary, H2O asset management. Insight Investment was excluded as they are a fixed income house. Helaba Invest was included because it predominantly provides services to the asset management industry. We included both Fidelity Management and Research (FMR) and Fidelity International. Given that they are listed as two separate entities on IPE, we have included both of them in our count of asset managers.

13 Aon, Mercer, Cardano and Willis Tower Watson were excluded as they predominantly acted as consultants. Ashmore Group and Colchester Global Investors, and Northill capital were excluded as they mostly invest in emerging markets and start-ups, respectively. Record Currency Management and Millenium Global Partners were excluded as they mostly provide currency management and advisory solutions. GMO Asset Management was excluded because it is mostly active in the US. Bluebay Asset Management, Marathon asset management, and Twenty Four asset management were excluded as they are mostly a fixed income house. Intermediate Capital Group was excluded as it does not have equity holdings. Merian Global Investors were excluded as they are merging with Jupiter Asset Management, which is included in this analysis. TFG mostly invests in private equity, Hines only invest in real estate, and Artemis Investment Management mostly invests in smaller businesses, which are less likely to be faced by shareholder resolutions. Cheyne Capital was excluded because it is mostly active in alternative asset management.

Shareholder resolutions on climate change & climate-related lobbying

An initial sample of 170 shareholder resolutions was downloaded from Ceres' climate and sustainability engagement tracker,[lxxxviii] ACCR's database of 'resolution voting history on environmental or social issues' at the largest 200 companies of the ASX 200,[lxxxix] and ShareAction's 'European tracker: shareholder resolutions on climate change',[xc] as well as from voting data platform ProxyInsight.

The criteria used to select shareholder resolutions on climate change from this initial sample were as follows:

1. Shareholder resolutions on lobbying that did not explicitly refer to climate change in their core wording or supporting statement were excluded from the sample.
2. Shareholder resolutions that did not have readily accessible information on the resolution number, filer and wording, were excluded from the sample. This mainly affected shareholder resolutions filed at Japanese utilities.
3. Shareholder resolutions that received less than 5 per cent support were excluded from the sample.
4. A small number of shareholder resolutions filed by retail shareholders were excluded if they were considered to be worded in a manner that is inconsistent with the quality that shareholders expect.
5. Shareholder resolutions filed by climate denying group Burn More Coal were also excluded from this analysis.

After applying these screening criteria to the initial sample of 170 shareholder resolutions, 53 shareholder resolutions on climate change were selected. Thirty-two of these are pure climate change resolutions, whereas the remaining 21 focus on climate-related lobbying. In every instance except one,[14] the shareholder resolutions were not supported by company management.

► A full list of resolutions is available in Appendix II.

Shareholder resolutions on social issues

An initial sample of 74 resolutions was built using the shareholder resolution trackers of CERES, ACCR, and ShareAction and voting data platform ProxyInsight (as above).

Given the broader range of social issues identified, the following criteria used to select shareholder resolutions on social issues were as follows:

1. Shareholder resolutions that did not explicitly reference human rights/labour rights, decent work or diversity, the focus of ShareAction's good work and advocacy programme, were removed from the analysis. These included resolutions on product misuse, promotion of hate speech, food waste and underage use of tobacco.
2. Shareholder resolutions that did not have readily accessible information on the resolution number, filer and wording, were excluded from the sample.
3. Shareholder resolutions that received less than 5 per cent support were excluded from the sample.
4. A small number of shareholder resolutions filed by retail shareholders were excluded if they were considered to be worded in a manner that is inconsistent with the quality that shareholders expect.

14 Resolution 29 at Barclays Plc, filed by the company itself.

After applying these conditions to the initial sample of 74 resolutions, 49 social resolutions were selected.

The remaining 49 social resolutions were divided into the following three sub-categories:

1 Create a human rights policy/undertake human rights due diligence
2 Report on diversity
3 Report on gender / ethnicity pay-gap

▶ A full list of resolutions is available in Appendix II.

Estimating asset managers' support for shareholder resolutions

Asset managers' voting data was downloaded from voting data platform ProxyInsight as of 1 October 2020. Each asset manager was contacted at least twice by ShareAction to verify and/or complete the voting data downloaded from ProxyInsight. Only four asset managers refused to take part in the analysis and/or failed to respond to ShareAction's requests, namely Anima, APG asset management, SEB and State Street Global Advisors. We thank the 56 other asset managers who agreed to take part in the data verification process of the analysis. We were not able to gain access to two asset managers' voting records, namely Anima and SEB.

To feature in the ranking, asset managers had to have voted on at least five resolutions in each category (Climate, Lobbying, Social). Holdings and corresponding number of resolutions were aggregated for the category 'Climate and Lobbying'. Out of the 56 asset managers initially sampled, only Deka Investments and Santander Asset Management were eventually removed from the ranking as their holdings represented five or less voting opportunities across all categories based on the information received from these asset managers.

Estimating support percentages

Only actual votes for a shareholder resolution are considered votes in support of it. Abstentions and Do Not Vote (DNV) were both treated as against for the reasons outlined below. Split votes that were mixed (i.e. less than 75 per cent of funds within a fund family voting 'for' or 'against') were excluded from the calculation. The support percentage was thus calculated by: (votes in support / (votes in support + votes against + abstentions + DNV). Asset managers were not penalised for not holding shares in a company.

Do not votes (DNVs)

Some asset managers prioritise their voting activity depending on what percentage a company takes up in their portfolio overall. The asset managers included in the study are the largest globally and are therefore a significant enough size that they should be voting across all shares they own. Not voting sends a signal to a company that there is disinterest from investors. Outside of the report and analysis if voting does need to be prioritised, it should be prioritised based on impact. The methodology, therefore, considers 'Do Not Vote' as equal to a vote against the resolution.

Split votes

Votes were counted on the basis of ‘For’ or ‘Against’, with 75 per cent required for a majority to be established within a fund family. In cases where 75 per cent or more of funds did not vote the same way, the vote was considered to be a 'Split Vote' and was removed from the denominator used to calculate the percentage 'For' of each asset manager.

Asset owners regularly delegate voting to their asset managers. Delegation is especially true of asset owners who invest via pooled funds. There has been significant attention to the lack of agency asset owners have on the shares which are ultimately theirs. The Association of Member Nominated Trustees has analysed and recommended ways the industry could improve through its Red Line Voting Initiative. ShareAction supports Red Line Voting and giving asset owners more control over voting their shares.

Split votes are a difficult area concerning methodology. On the one hand, we would like to encourage asset managers to allow their clients to vote how they wish. However, some asset managers allow for different portfolio managers, within the firm, to vote differently. ShareAction recommends that asset managers establish house views with regards to voting, with policies that cover a range of ESG topics. A house view does not stop individual resolutions from being discussed but establishes a process and approach for ESG resolutions.

Data gathering

A small number of asset managers pointed us to online platforms to find information regarding their voting history. The development of online platforms points to an improvement in transparency. However, the overall process of checking asset managers’ voting activity and comparison remains a highly manual process. For asset owners, the manual process of checking voting records is resource-intensive and not practical to perform. The ease of comparing asset managers’ voting records must improve.

Credit Suisse Asset Management LLC has a significant amount of missing data which was not possible to verify and may therefore have resulted in a worse score if they have supported resolutions in the report.

Appendix 2: List of shareholder resolutions

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
3M Company	2020	4	Consider Pay Disparity Between Executives and Other Employees	Social	11.1	88.9
Abbott Laboratories	2020	4	Report on Lobbying Payments and Policy	Lobbying	19.8	80.2
Adobe Inc.	2020	5	Report on Gender Pay Gap	Social	12.5	87.5
Alphabet Inc.	2020	9	Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation	Social	13.1	86.9
Amazon.com Inc.	2020	10	Report on Global Median Gender/Racial Pay Gap	Social	15.3	84.7
Amazon.com Inc.	2020	13	Report on Promotion Velocity	Social	12.2	87.8
Amazon.com Inc.	2020	15	Human Rights Risk Assessment	Social	31.1	68.9
Amazon.com Inc.	2020	16	Report on Lobbying Payments and Policy	Lobbying	30.1	69.9
American Express Company	2020	6	Report on Gender/Racial Pay Gap	Social	8.6	91.4
Apple Inc.	2020	5	Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation	Social	12.1	87.9
Bank of America Corporation	2020	6	Report on Gender Pay Gap	Social	9.8	90.2
Bank of Montreal	2020	7	Assess the Incongruities of Bank's Lending History and Financing Criteria Regarding Fossil Fuel Loans and Public Statements Regarding Sustainability and Climate Change	Climate	10.2	89.8

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
Bank of New York Mellon Corporation (The)	2020	4	Report on Gender Pay Gap	Social	7.9	92.1
Bank of Nova Scotia (The)	2020	7	Revise Human Rights Policies	Social	8.9	91.1
Barclays PLC	2020	29	Approve Barclay's Commitment in Tackling Climate Change	Climate	99.9	0.1
Barclays PLC	2020	30	Approve ShareAction Requisitioned Resolution	Climate	24	76
BHP Ltd	2019	22	Lobbying inconsistent with the goals of the Paris Agreement	Lobbying	27.1	72.9
BHP Plc	2019	22	Lobbying inconsistent with the goals of the Paris Agreement	Lobbying	27.1	72.9
Bloomin' Brands Inc.	2020	6	Report on Greenhouse Gas Emissions Disclosure	Climate	26.5	73.5
Boeing Company (The)	2020	5	Report on Lobbying Payments and Policy	Lobbying	32.5	67.5
Caterpillar Inc	2020	4	Report on Lobbying Payments and Policy	Lobbying	33.5	66.5
Charles Schwab Corp/The	2020	6	Adopt Policy to Annually Disclose EEO-1 Data	Social	42.6	57.4
Cheniere Energy Inc	2020	5	Report on Plans to Address Stranded Carbon Asset Risks	Climate	28.1	71.9
Chevron Corporation	2020	5	Establish Board Committee on Climate Risk	Climate	8.2	91.8
Chevron Corporation	2020	6	Report on Climate Lobbying Aligned with Paris Agreement Goals	Lobbying	53.5	46.5
Chevron Corporation	2020	7	Report on Petrochemical Risk	Climate	46	54
Chevron Corporation	2020	8	Report on Human Rights Practices	Social	16.7	83.3
Cigna Corp	2020	5	Report on Gender Pay Gap	Social	21	79
Citigroup Inc.	2020	7	Report on Lobbying Payments and Policy	Lobbying	15.1	84.9

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
Comcast Corporation	2020	8	Report on Risks Posed by Failing to Prevent Sexual Harassment	Social	13.1	86.9
Delta Air Lines Inc.	2020	5	Report on Climate Lobbying	Lobbying	46	54
Delta Air Lines Inc.	2020	7	Report on Sexual Harassment Policy	Social	32.3	67.7
Dollar Tree, Inc.	2020	4	Report on Greenhouse Gas Emissions Goals	Climate	73.5	26.5
Duke Energy Corporation	2020	7	Report on Lobbying Payments and Policy	Lobbying	42.4	57.6
Enphase Energy Inc.	2020	4	Report on Sustainability	Climate	52.3	47.7
Exxon Mobil Corporation	2020	7	Report on Risks of Petrochemical Operations in Flood Prone Areas	Climate	24.5	75.5
Exxon Mobil Corporation	2020	9	Report on Lobbying Payments and Policy	Lobbying	37.5	62.5
Facebook Inc.	2020	9	Report on Civil and Human Rights Risk Assessment	Social	7.2	92.8
Facebook Inc.	2020	11	Report on Median Gender/ Racial Pay Gap	Social	8.6	91.4
Fastenal Company	2020	4	Prepare Employment Diversity Report	Social	61.1	38.9
Ford Motor Company	2020	5	Report on Lobbying Payments and Policy	Lobbying	20.2	79.8
Fortinet Inc.	2020	5	Prepare Employment Diversity Report	Social	70	30
Fortum Oyj	2020	20	Include Paris Agreement 1.5-degree Celsius Target in Articles of Association	Climate	8	92
General Motors Company	2020	8	Report on Human Rights Policy Implementation	Social	32.2	67.8
General Motors Company	2020	9	Report on Lobbying Payments and Policy	Lobbying	33.1	66.9
Genuine Parts Company	2020	4	Report on EEO	Social	79.1	20.9
Home Depot Inc. (The)	2020	5	Prepare Employment Diversity Report and Report on Diversity Policies	Social	35.8	64.2

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
Home Depot Inc. (The)	2020	7	Report on Congruency Political Analysis and Electioneering Expenditures	Lobbying	32.9	67.1
Honeywell International Inc.	2020	5	Report on Lobbying Payments and Policy	Lobbying	46.2	53.8
iA Financial Corp Inc	2020	4	Analyze Climate Risk and Report the Results of its Analysis	Climate	73.6	26.4
iA Financial Corp Inc	2020	5	Adopt Measured Environmental Impact Reduction Objectives with Clearly Identified Targets in its Sustainable Development Policy	Climate	60.7	39.3
Intel Corporation	2020	6	Report on Global Median Gender/Racial Pay Gap	Social	9	91
JB Hunt Transport Services Inc.	2020	5	Report on Climate Change Initiatives	Climate	54.5	45
JP Morgan Chase & Co	2020	9	Report on Gender/Racial Pay Gap	Social	9.9	90.1
JPMorgan Chase & Co	2020	5	Report on Reputational Risk Related to Canadian Oil Sands, Oil Sands Pipeline Companies and Arctic Oil and Gas Exploration and Production.	Climate	15.2	84.8
JPMorgan Chase & Co	2020	6	Report on Climate Change	Climate	49.6	50.4
Kroger Company (The)	2020	5	Report on Human Rights Due Diligence Process in Operations and Supply Chain	Social	44.7	55.3
Lear Corporation	2020	4	Report on Human Rights Impact Assessment	Social	44.8	55.2
Loblaw Companies Limited	2020	4	Enhance the Mandate of the Risk and Compliance Committee to Assign it with Specific Responsibility for Human Rights Risk Assessment, Mitigation and Prevention, Policy Formulation and Adoption	Social	7.5	92.5

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
Microsoft Corporation	2019	5	Report on Gender Pay Gap	Social	29.6	70.4
Mizuho Financial Group Inc.	2020	5	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	Climate	34.5	65.5
Mondelez International Inc.	2020	4	Consider Pay Disparity Between Executives and Other Employees	Social	10	90
Northrop Grumman Corporation	2020	4	Report on Human Rights Impact Assessment	Social	24.2	75.8
Oracle Corporation	2019	4	Report on Gender Pay Gap	Social	35.7	64.3
O'Reilly Automotive Inc.	2020	6	Report on Human Capital Risks and Opportunities	Social	66	34
Ovintiv Inc.	2020	4	Report on Climate Change	Climate	56.4	43.6
PayPal Holdings Inc	2020	5	Adopt Human and Indigenous People's Rights Policy	Social	9.3	90.7
Pfizer Inc.	2020	8	Report on Gender Pay Gap	Social	38.1	61.9
Phillips 66	2020	4	Report on Risks of Gulf Coast Petrochemical Investments	Climate	54.7	45.3
Pilgrim's Pride Corporation	2020	6	Shareholder Proposal Regarding Human Rights Due Diligence Process Report	Social	12.8	87.2
Qantas Airways Limited	2019	5.2	Approve Human Rights Risks	Social	23.56	76.44
QBE Insurance Group Ltd.	2020	5b	Approve Exposure Reduction Targets	Climate	13.2	86.8
Rio Tinto Ltd	2020	24	Shareholder Proposal Regarding Paris-Aligned Greenhouse Gas Emissions Reduction Targets	Climate	36.9	63.1
Royal Dutch Shell Plc	2020	21	Shareholder Proposal Regarding GHG Reduction Targets	Climate	14.4	85.6
Sanderson Farms Inc.	2020	6	Report on Water Resource Risks	Climate	11.4	88.6

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
Sanderson Farms Inc.	2020	7	Report on Human Rights Due Diligence	Social	37.2	62.8
Santander Consumer USA Holdings Inc	2020	3	Report on Risk of Racial Discrimination in Vehicle Lending	Social	12.1	87.9
Santos Ltd.	2020	5b	Approve Paris Goals and Targets	Climate	43.7	56.3
Santos Ltd.	2020	5c	Approve Climate Related Lobbying	Lobbying	46.7	53.3
Skechers U.S.A. Inc.	2020	2	Adopt a Comprehensive Human Rights Policy	Social	18.3	81.7
Smith & Wesson Brands, Inc.	2019	4	Adopt a Comprehensive Human Rights Policy	Social	36.2	63.8
Southern Company (The)	2020	5	Report on Lobbying Payments and Policy	Lobbying	28.2	71.8
T. Rowe Price Group Inc.	2020	5	Report on and Assess Proxy Voting Policies in Relation to Climate Change Position	Climate	14.3	85.7
Thomson Reuters Corp	2020	4	Produce a Human Rights Risk Report at Reasonable Cost and Omitting Proprietary Information	Social	7.6	92.4
TJX Companies Inc. (The)	2020	6	Report on Pay Disparity	Social	9.4	90.6
Toronto Dominion Bank (The)	2020	6	Request to Adopt Targets for Reducing Greenhouse Gas (GHG) Emissions Associated with the Company's Underwriting and Lending Activities	Climate	17.8	82.2
Total SA	2020	22	Shareholder Proposal A Regarding GHG Reduction Targets	Climate	16.8	83.2
Transat A.T. Inc.	2020	4	Reject Shareholder Proposal 1: Inclusion of Environmental, Social and Governance (ESG) Criteria in Establishing Executive Compensation	Social	76.3	23.7
TransDigm Group Inc.	2020	4	Adopt Quantitative Company-wide GHG Goals	Climate	45.1	54.9
Tyson Foods Inc.	2020	6	Report on Human Rights Risk Assessment Process	Social	14.6	85.4

Company Name	Year	Resolution Number	Resolution Topic	Type	Vote Result For (%)	Vote Result Against (%)
Union Pacific Corporation	2020	5	Report on Climate Change	Climate	18.8	81.2
United Airlines Holdings, Inc.	2020	5	Report on Lobbying Payments and Policy	Lobbying	28.8	71.2
United Parcel Service Inc.	2020	4	Report on Lobbying Payments and Policy	Lobbying	29.4	70.6
United Parcel Service, Inc.	2020	6	Report on Climate Change	Climate	29.6	70.4
Walmart Inc.	2020	8	Report on Strengthening Prevention of Workplace Sexual Harassment	Social	13.2	86.8
Walt Disney Company	2020	5	Report on Lobbying Payments and Policy	Lobbying	33.7	66.3
Wells Fargo & Company	2020	6	Report on Global Median Gender Pay Gap	Social	9.4	90.6
Woodside Petroleum Ltd.	2020	4b	Approve Paris Goals and Targets	Climate	50.2	49.8
Woodside Petroleum Ltd.	2020	4c	Approve Climate Related Lobbying	Lobbying	42.7	57.3
XPO Logistics Inc.	2020	5	Shareholder Proposal Regarding Report on Linking Executive Compensation to ESG Metrics	Social	20.7	79.3
XPO Logistics Inc.	2020	7	Shareholder Proposal Regarding Report on Measures Taken to Prevent Sexual Harassment	Social	19.3	80.7
Yum! Brands, Inc.	2020	4	Report on Supply Chain Impact on Deforestation	Climate	33.3	66.7

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ShareAction is a campaigning organisation pushing the global investment system to take responsibility for its impacts on people and planet, and use its power to create a green, fair, and healthy society.

We want a future where all finance powers social progress. For 15 years, ShareAction has driven responsibility into the heart of mainstream investment through research, campaigning, policy advocacy and public mobilisation. Using our tools and expertise, we influence major investors and the companies they invest in to improve labour standards, tackle the climate crisis and address inequality and public health issues.

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