GEORGESON'S 2024 REVIEW

INVESTOR VOTING REPORT

CERTAINTY | INGENUITY | ADVANTAGE

Georgeson

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INTRO & EXECUTIVE SUMMARY

INTRODUCTION

Our investor voting report follows our US proxy season review report. It expands on our analysis of investor voting decisions from the 10 largest asset management firms, including the 'Big Three' asset managers' (State Street Global Advisors or SSGA, BlackRock, and Vanguard), on select key shareholder proposals such as on 'Say on Pay' (SOP) proposals and director elections.

This year also saw many more investors providing information on how voting is developing at fund level and how the focus of large institutional investors emphasize on client-oriented strategies (i.e. client-directed voting) is affecting the proxy process. We included in the 2024 proxy season company meetings occurring July 1, 2023 through June 30, 2024. The report utilizes data provided by Diligent, in addition to data collected from public filings. Where a reference is made to "company disclosure" such disclosure includes SEC filings on fund-level voting, commonly known as "NPX filings". This report covers: corporate governance, shareholder proposals and the effect of structural changes on the proxy disclosure process.

Corporate governance: Director elections & Say on Pay (SOP)

Our analysis of 'Say on Pay' (SOP) and director elections voting data for the Big Three includes votes for S&P 500 and Russell 3000 (R3000) companies. The 'for' proportion is based on the percentage of times an investor supported SOP proposals or a director. Split votes relating to BlackRock and State Street were excluded from the dataset. A more fulsome explanation for our approach can be found in the section "Structural Changes to Proxy Disclosure" below.

KEY INSIGHTS

- Director elections: Each of the Big Three increased the proportion of directors supported in 2024.
- 'Say on Pay': SOP support reached an all-time high, with each of the Big Three increasing the frequency of support.

EXECUTIVE SUMMARY

Shareholder proposal: spotlights

The average support for shareholder proposals declined year-over-year (YOY), as did the instances when the largest asset managers voted for environmental and social proposals. Asset manager support for governance proposals stayed fairly consistent, and any changes in average support were driven by the type of proposal filed, rather than any change to the proxy voting guidelines. 2024 saw an increase in the volume of anti-ESG proposals, however such proposals continued to attract little if any support.

KEY INSIGHTS

- There was an increase in split vote disclosure, most notably at BlackRock, State Street and Dimensional Fund Advisors.
- Climate-related proposals were the only voted upon environmental proposals that received support of 30% or higher.
- Other than Northern Trust, Fidelity and, to a lesser extent, Geode Capital Management, investors rarely supported human capital management and diversity-related proposals.
- There were 212 governance proposals unrelated to compensation that went to a vote. Northern Trust and Invesco were the most supportive of these, voting 'for' 41% of such proposals.

Structural changes to proxy disclosure: client-directed voting and NPX fund-level disclosure

We observed a significant increase this year in a few major investors, more notably Dimensional, State Street and BlackRock, disclosing split votes. Vanguard also saw an increase in split vote disclosure. While split voting is not new, the obligation to disclose fund-level changes to NPX disclosure, along with the availability of client-directed voting, as well as proportional voting, has significantly increased the instances in which split voting was identified by Diligent for this report.

KEY INSIGHTS

- Based on a subset of shareholder proposals reviewed, when BlackRock, State Street, or Dimensional disclosed a split vote, 90%+ of the votes were aligned either 'for' or 'against', with 10% or less diverging from either of these two positions.
- BlackRock and State Street disclosed a significant increase in split votes for director elections and SOP votes. S&P 500 companies saw a greater number of split votes occurring, ranging from 34% to 59%, whereas R3000 companies saw a split of 8% to 52%.
- Analysis of a subset of meetings where client-directed voting was available revealed that an overwhelming majority (98.7%-99.7%) of shares voted remained in alignment with the stewardship policies of the Big Three, with Vanguard having the lowest correlation (98.7%) and BlackRock with the highest (99.7%).

GEORGESON'S 2024

CORPORATE GOVERNANCE INSIGHTS

KEY INSIGHTS

- Each of the Big Three increased the proportion of directors supported in 2024.
- 'Say on Pay' support reached an all-time high with each of the Big Three increasing frequency of support.

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CORPORATE GOVERNANCE

DIRECTOR ELECTIONS

Support for directors continues to be strong*

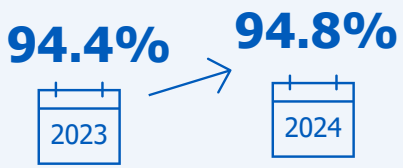
The Big Three increased the proportion of directors supported in 2024

KEY INSIGHTS

Director election support at R3000 companies continues to be strong, averaging 94.8% for the 2024 proxy season, slightly higher than the average support of 94.4% for the 2023 proxy season. Similarly, average support for S&P 500 directors was up year-over-year to an average of 96.3% from 95.8% in 2023.

Votes from the Big Three asset managers all increased the proportion of supported director elections in 2024. Vanguard was the most likely to support management, supporting 96.9% of R3000 director election proposals, and SSGA was the least likely, supporting 87.6%.

41 directors at 30 R3000 companies received less than 50% support. Only 15% (six out of 41) failed to be elected. Amongst the six failed director election votes, Vanguard supported five of the six directors while BlackRock and State Street supported just two of the six.



Director election support averaged **94.8%** *for the* **2024** *proxy season. That's slightly higher than average support of* **94.4%** *for the* **2023** *proxy season.*

** Research is based on a proportion of votes 'for' or 'against' directors which excludes split votes.*

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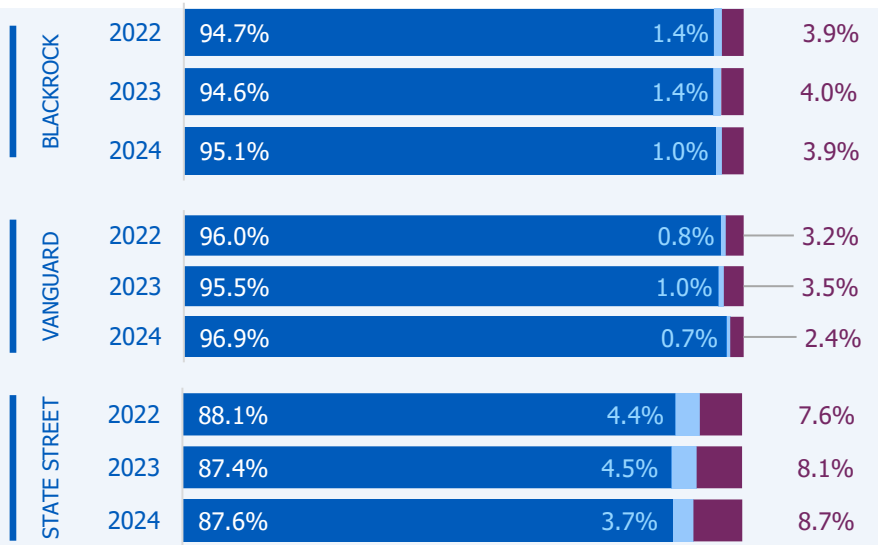
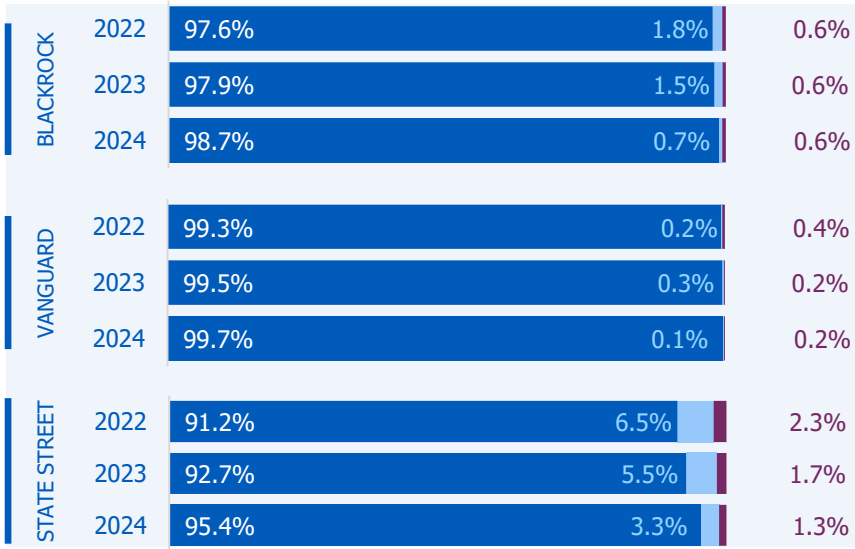
CORPORATE GOVERNANCE

DIRECTOR ELECTIONS

Russell 3000 companies: 2022-2024

- BlackRock support for director elections is slightly up from the past two years.
- Vanguard was the most likely of the Big Three to support directors and is typically seen as being the most management-friendly.
- State Street, which has more specific stewardship expectations, had the most votes against re-elections of directors. As in previous years, State Street's policy requiring 30% board gender diversity impacted support levels. Average support was 87.6%, a slight increase from 2023.





S&P 500: 2022 - 2024

- BlackRock supported 98.7% of directors in the S&P 500, which is above its support levels in 2022 and 2023.
- Vanguard's support during director elections in the past three years has been fairly consistent, at over 99% each year. 2024 saw a slight increase in support to 99.7%.
- State Street supported 95.4% of directors. Its support for directors has seen a steady increase, from a low of 91.2% in 2022.

For | Against | Withheld

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CORPORATE GOVERNANCE

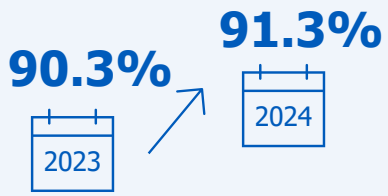
SAY ON PAY

'Say on Pay' support reaches an all-time high*

Each of the Big Three increased frequency of support

KEY INSIGHTS

- 'Say on Pay' (SOP) vote results during the 2024 proxy season saw increased average support for R3000 companies, with approximately 91.3% of votes cast in favor (excluding abstentions), compared to 90.3% support during the 2023 proxy season.
- SOP failure rate in 2024 fell to an all-time low of 1.2%, down from 2.3% in 2023. Of the 29 failed 'Say on Pay' (SOP) votes at R3000 companies, there were seven instances where all three large asset managers supported SOP, and 13 instances where two of the three supported SOP. BlackRock was the most likely to oppose SOP, voting against 17 of the 29 failed votes.
- BlackRock and State Street disclosed a significant increase in split votes during the 2024 season. SSGA revealed that 34.9% of S&P 500 companies' SOP votes and 25.5% of R3000 companies' SOP votes were split, while BlackRock said it had a split vote on 37.6% of S&P 500 company SOP votes and 8.2% R3000 votes. To reflect year-on-year SOP trends, splits were removed from our analysis, which had a significant impact on the support level observed for the remaining votes.
- In 2024, Vanguard's support for R3000 and S&P 500 companies' SOP votes was consistent with previous years. SSGA and BlackRock both increased support for SOP, in part as a result of the increased disclosure of splits (removed from the dataset). The increased proportion of splits disclosed by BlackRock and State Street correlates with an increase in the proportion of support for remaining SOP votes (see page 31 for details).



*Vote results for the **2024** proxy season show an increase in average support for R3000 companies, with approximately **91.3%** of votes cast in-favor, compared to **90.3%** in **2023.***

** Research is based on a proportion of votes 'for' or 'against' directors which excludes split votes. See section "structural change to proxy disclosure" for more insights on impact of split voting and NPX disclosure.*

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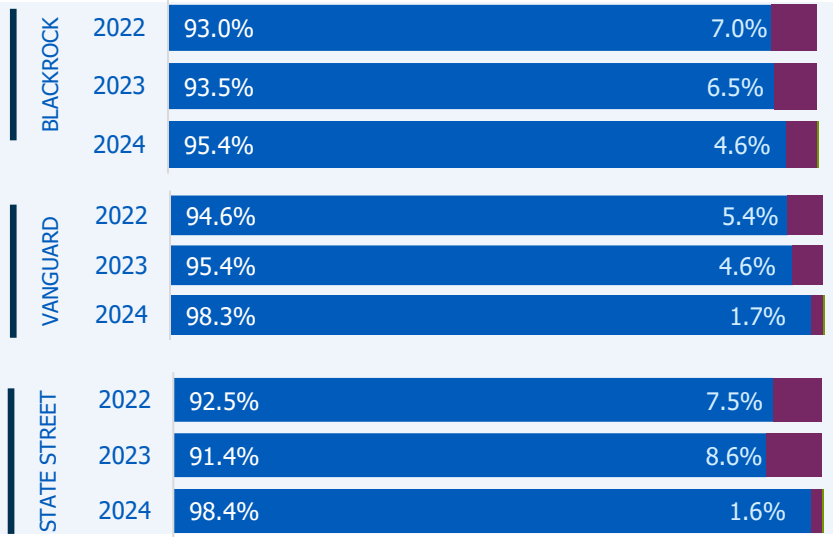
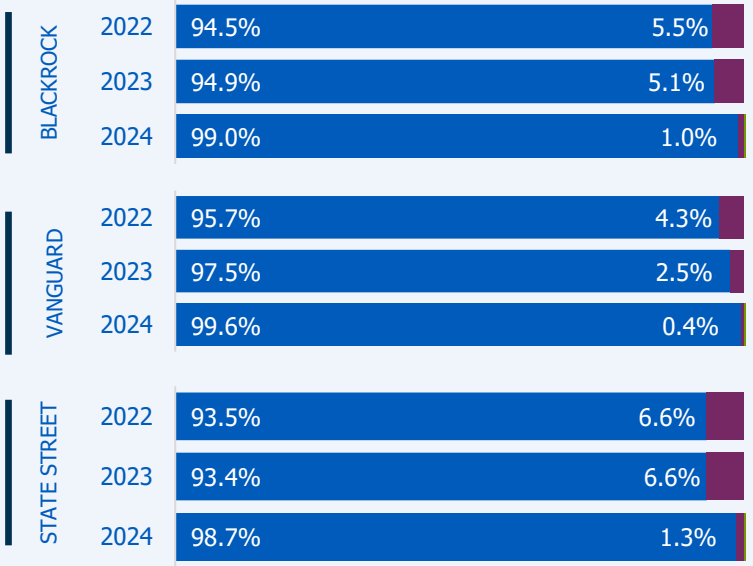
CORPORATE GOVERNANCE

SAY ON PAY

Russell 3000: 2022 - 2024

- BlackRock: support increased to 95.4% of SOP votes, a full percentage increase when compared to 2023. Data excluded the 8.2% of split votes.
- Vanguard: supported 98.3% of SOP votes, which was a substantial increase from 2023 at 95.4%
- SSGA: supported 98.4% of SOP votes, up from 91.4% in 2023. Data excluded 25.5% of splits votes.





S&P 500: 2022 - 2024

- BlackRock: support increased from 94.9% in 2023 to 99% of SOP votes. Data excluded the 37.6% of split votes.
- Vanguard: support increased from 97.5% of SOP votes in 2023 to 99.6%. Vanguard disclosure on split voting did not impact analysis.
- SSGA: increased its support for SOP votes, up from 93.4% to 98.7% in 2024. Data excluded the 34.9% of split votes.

Key For | Against | Withheld

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GEORGESON'S 2024

SHAREHOLDER PROPOSALS INSIGHTS

KEY INSIGHTS

- There was an increase in split vote disclosure, most notable for BlackRock, State Street, and Dimensional.
- Among environmental proposals that went to a vote, only climate-related proposals received support of 30% or more.
- Investors rarely supported human capital management and diversity-related proposals.
- Out of the 212 governance proposals unrelated to compensation that went to a vote, investment firms Northern Trust and Invesco were the most supportive, voting 'for' 41% of such proposals.

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SHAREHOLDER PROPOSALS

OVERALL

Each of the Top 10 investors has a higher support rate for governance-related proposals than all proposals combined

In 2024, **635** shareholder proposals went to a vote. We examined how the ten largest asset managers voted on a select subset of shareholder proposals to provide some helpful insights.

Support for voted shareholder proposals by the 10 largest investors

Investor	Overall	Environmental	Social	Governance	Anti-ESG
Northern Trust	**30.6%**	32.5%	33.6%	36.7%	5.4%
Fidelity	**18.9%**	14.5%	20.0%	26.7%	0.0%
Invesco	**18.0%**	12%	7.3%	36.7%	0.0%
Geode	**15.0%**	8.4%	8.2%	29.2%	0.0%
Dimensional	**14.3%**	0.0%	1.4%	36.7%	0.0%
Goldman Sachs	**12.0%**	7.2%	4.1%	25.4%	0.0%
Capital Group	**10.2%**	1.2%	2.3%	24.6%	0.0%
BlackRock	**8.0%**	3.6%	3.2%	17.1%	0.0%
Vanguard	**7.2%**	0.0%	0.0%	19.2%	0.0%
State Street	**5.7%**	3.6%	1.8%	12.1%	0.0%

KEY INSIGHTS

- Of the 10 largest investors, Northern Trust was most likely to support proposals that went to a vote, voting 'for' 30.6% of proposals. Fidelity, Invesco, Geode, and Dimensional voted 'for' between 14.3% and 18.9% of the proposals that went to a vote.
- All 10 investors were more likely to support governance-related proposals:
  - BlackRock supported 17.1% of governance proposals compared to just 8% of all voted proposals.
  - Vanguard supported 19.2% of governance proposals but did not support any social or environmental proposals.
  - State Street supported 12.1% of governance proposals compared to 5.7% for all proposals that went to a vote.
- Anti-ESG proposals continue to attract little support from institutional investors.

OVERALL

Increased disclosure on the use of split voting

The new NPX format, along with increased proportional and client-directed voting by these asset managers, likely drove the rise in split vote disclosure.

KEY INSIGHTS

- State Street was most likely to disclose a split, doing so on 27.4% of all voted proposals and on nearly half (47.9%) of all voted governance-related proposals.
- Dimensional disclosed splitting on 17% of all voted proposals and 51.8% of environmental-related proposals voted.
- BlackRock split on 11% of all voted proposals and on 23.3% of all governance-related proposals voted.

SHAREHOLDER PROPOSAL SPLIT DISCLOSURE

	% All voted proposals	% Environmental	% Social	% Governance	% Anti-ESG
State Street	**27.4%**	20.5%	17.7%	**47.9%**	3.3%
Dimensional	**17.0%**	**51.8%**	23.6%	5.4%	0%
BlackRock	**11.0%**	2.4%	4.5%	**23.3%**	2.2%

Little support for anti-ESG proposals, despite continued increase in volume of submitted proposals

- Anti-ESG proposals increased by 21% in 2024 (114 proposals) from 2023 (94 proposals) and have doubled compared to 2022 (57 proposals).
- Of those voted upon, 71% related to social issues, such as human capital, diversity, and human rights.
- Such proposals attracted little investor support, outside of Northern Trust.
- Three out of the five proposals Northern Trust voted 'for' related to board oversight of the issue of discrimination in the workplace.

> Northern Trust generally votes for proposals advocating the elimination of workplace discrimination based on sexual orientation or gender identity… Northern Trust reviews, on a case-by-case basis, on proposals requesting the issuance of a diversity report.
>
> *Northern Trust Stewardship*

NOTE

Split vote disclosure should not be interpreted as a comparable split in shares voting 'for' and 'against' a given proposal. Rather, our analysis of the impact of split voting (slides 29-31) suggests the vast majority of votes are cast in alignment with the manager's institutional guideline. However, the increased designation of split voting when disclosing votes has added a level of opacity. As a result, split votes make it harder to understand investors' voting decisions and it has complicated the process of analysis

SHAREHOLDER PROPOSALS

ENVIRONMENTAL SPOTLIGHT

Climate-related proposals were the only environmental proposals to receive support of 30% or higher

KEY INSIGHTS

- In 2024 there were 83 environmental proposals voted, 60 of which were climate-related*.
- Vanguard and Dimensional were the least likely to vote outright (i.e., excluding split votes) for climate-related proposals, followed by Capital Group, BlackRock, State Street, Goldman Sachs, and Geode.
- Northern Trust voted 'for' 31.7% of environmental proposals, Fidelity 16.7% and Invesco 13.3%.
- Notable proposals voted this year included topics such as greenhouse gas (GHG) reduction, climate lobbying and general climate reporting or risk and opportunity disclosure.

CLIMATE-RELATED PROPOSALS*

Investor	% Voted For	% Voted Against	% Abstain	% Split	% Did not vote
Northern Trust	**31.7%**	53.3%	13.3%	1.7%	0.0%
Fidelity	**16.7%**	63.3%	0.0%	11.7%	8.3%
Invesco	**13.3%**	70.0%	0.0%	5.0%	11.7%
Goldman Sachs	**10.0%**	85.0%	0.0%	1.7%	3.3%
Geode	**10.0%**	83.3%	3.3%	0.0%	3.3%
State Street	**5.0%**	66.7%	1.7%	26.7%	0.0%
BlackRock	**5.0%**	91.7%	0.0%	3.3%	0.0%
Capital Group	**1.7%**	58.3%	0.0%	1.7%	38.3%
Vanguard	**0.0%**	86.7%	0.0%	6.7%	6.7%
Dimensional	**0.0%**	38.3%	0.0%	61.7%	0.0%

**Climate-related proposal subtypes filed included: climate change – lobbying, climate change – report, climate change – risk/opportunity, emissions financing, GHG reduction, GHG reduction – scope 3, methane.*

ENVIRONMENTAL

GHG REDUCTION PROPOSALS

- GHG reduction proposals that did not cover value chain emissions (i.e. scope 3) explicitly continued to receive greater support from the 'top 10' investors, compare with those that included value chain emissions, similar to last year.
- Northern Trust (supporting seven of 13) and Fidelity (supporting six of 13), were most likely to support general GHG reduction proposals.
- Vanguard and Capital Group did not support any of these proposals.

GHG REDUCTION – GENERAL

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Berkshire Hathaway Inc.	Failed	Disclose GHG Emissions Reductions Targets	4	2	2	1	2	2	2	2	4	2
Centene Corporation	Failed	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	2	2	4	4	2	2	2	2	2	2
Denny's Corporation	Failed	Shareholder Proposal Regarding Reporting and Reducing GHG Emissions	1	5	4	5	1	1	5	1	1	2
Dine Brands Global, Inc.	Failed	Shareholder Proposal Regarding Climate Disclosures and Reducing GHG Emissions	2	5	4	2	2	2	5	1	2	2
Huntington Ingalls Industries Inc.	Failed	Publish Climate Transition Plan and Science-Based GHG Reduction Targets	2	2	4	2	2	2	2	2	2	2
Jack In The Box Inc.	Passed	Disclose GHG Emissions Reductions Targets	1	2	4	5	2	1	5	1	4	5
Kinder Morgan Inc.	Failed	Disclose GHG Emissions Reductions Targets	2	5	4	1	2	1	2	1	2	2
Noodles & Company	Failed	Shareholder Proposal Regarding Reporting and Reducing GHG Emissions	2	5	4	1	1	5	5	1	4	2
Old Dominion Freight Line Inc.	Failed	Shareholder Proposal Regarding Adoption of GHG Targets and Alignment with the Paris Agreement	2	2	4	1	1	4	2	2	4	2
Quest Diagnostics Incorporated	Failed	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	2	5	4	1	2	1	1	2	2	2
Southern Company (The)	Failed	Shareholder Proposal Regarding Adoption of GHG Targets and Alignment with the Paris Agreement	2	2	2	4	2	2	2	2	2	2
Texas Roadhouse Inc.	Failed	Shareholder Proposal Regarding Aligning GHG Reductions With Paris Agreement	2	5	4	2	2	2	2	1	4	2
Wingstop Inc	Passed	Shareholder Proposal Regarding Reporting and Reducing GHG Emissions	1	5	4	1	1	1	2	1	4	2

ENVIRONMENTAL

GHG REDUCTION – SCOPE 3

Broader proposals covering value chain emissions (Scope 3) saw lower average investor support. Invesco was the most supportive, voting for five of 18, while Northern Trust supported three, Fidelity supported two and SSGA supported one. All others did not support any outright (excluding split votes).

GHG REDUCTION – SCOPE 3 — 1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Air Transport Services Group, Inc	Failed	Shareholder Proposal Regarding Adoption of GHG Targets and Alignment with the Paris Agreement	2	5	2	1	2	5	5	2	2	2
Boeing Company (The)	Failed	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	2	2	2	2	2	2	2	3	2	2
Capital One Financial Corporation	Failed	Adopt GHG Emissions Reduction Targets Associated with Lending and Investment Activities	2	2	2	2	2	2	2	2	2	2
Casey's General Stores Inc.	Failed	Shareholder Proposal Regarding Report on Aligning GHG Reductions with Paris Agreement	2	5	4	2	2	2	1	1	2	2
CenterPoint Energy Inc.	Failed	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	2	2	2	2	2	2	2	2	2	2
Cintas Corporation	Failed	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	2	2	4	2	2	2	1	2	3	2
Constellation Brands Inc	Failed	Shareholder Proposal Regarding Report on Aligning GHG Reductions with Paris Agreement	2	2	4	2	2	2	4	1	1	2
Darden Restaurants Inc.	Failed	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	2	2	4	2	2	2	1	3	2	2
DTE Energy Company	Failed	Report on Climate Transition Plan Inclusive of Downstream Gas Utility Emissions	2	2	2	2	2	2	2	2	2	2
Expeditors International of Washington Inc.	Failed	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	2	5	2	2	2	2	2	2	2	2
International Business Machines Corporation (IBM)	Failed	Shareholder Proposal Regarding Adoption of Targets to Achieve Net Zero Emissions by 2050	2	2	4	2	2	2	4	2	2	5
Knight-Swift Transportation Holdings Inc	Failed	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	2	5	2	2	2	2	2	2	2	2
Lennar Corporation	Failed	Shareholder Proposal Regarding Report on Aligning GHG Reductions with Paris Agreement	2	2	4	1	2	2	2	1	2	2
Lockheed Martin Corporation	Failed	Report on Reducing Full Value Chain GHG Emissions Aligned with Paris Agreement Goal	2	2	2	2	2	2	1	2	2	2
RTX Corporation	Failed	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	2	2	4	2	2	2	2	2	2	2
Ryder System Inc.	Failed	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	2	5	4	4	2	2	2	2	2	2
Skyworks Solutions Inc.	Failed	Shareholder Proposal Regarding Adoption of Targets to Achieve Net Zero Emissions by 2050	2	5	4	2	2	2	2	3	2	2
Timken Company (The)	Failed	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	2	5	4	2	2	2	1	2	2	2

ENVIRONMENTAL OTHER CLIMATE RELATED PROPOSALS

GENERAL CLIMATE REPORTING/RISK AND OPPORTUNITY

Northern Trust was the only investor that routinely supported general climate reporting proposals, voting 'for' six out of 12 (50%). State Street & Geode each supported one (8.33%) out of the 12 proposals, although not the same proposal. No other investor supported such proposals outright.

CLIMATE LOBBYING

Climate lobbying saw little support outright from the top investors. Northern Trust, Invesco, and Fidelity each supported one of the nine voted proposals on this topic.

GENERAL CLIMATE REPORTING/RISK & OPPORTUNITY

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Amazon.com Inc.	Failed	Disclose All Material Scope 3 GHG Emissions	2	2	2	4	2	2	2	2	2	2
Mesa Laboratories Inc.	Failed	Shareholder Proposal Regarding Report on Full Value Chain GHG Emissions	2	5	4	5	3	2	5	1	2	2
Ross Stores Inc.	Failed	Shareholder Proposal Regarding Value Chain GHG Emissions Disclosure	2	5	4	2	2	2	2	1	2	2
Skechers U.S.A. Inc.	Failed	Disclose Timeline for Measuring and Disclosing Full Value Chain Emissions	2	2	4	2	1	2	2	1	1	2
Alphabet Inc	Failed	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options	4	2	2	2	2	2	2	2	4	4
Campbell Soup Company	Failed	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options	2	5	2	2	2	2	2	1	2	4
FedEx Corporation	Failed	Report on Climate Risk in Retirement Plan Options	2	2	2	2	2	2	2	2	2	4
Ford Motor Company	Failed	Report on Sustainable Sourcing Policies	2	5	2	5	5	2	2	2	2	5
General Motors Company	Failed	Shareholder Proposal Regarding Additional Disclosure on Sustainability Risks Within the Supply Chain	2	2	2	2	2	2	2	2	2	2
Intuit Inc.	Failed	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options	2	2	2	2	2	2	2	1	2	4
Microsoft Corporation	Failed	Report on Climate Risk in Retirement Plan Options	2	2	2	2	2	2	2	4	2	2
Weis Markets Inc.	Failed	Report on Climate Change Related Risks in its Supply Chain	2	5	4	5	2	2	5	1	4	2

CLIMATE LOBBYING

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
American Express Company	Failed	Shareholder Proposal Regarding Lobbying Activity Alignment with Net Zero Emissions Target	2	5	4	2	2	2	2	3	4	2
Bank of America Corporation	Failed	Shareholder Proposal Regarding Lobbying Activity Alignment with Net Zero Emissions Commitment	2	2	4	2	2	2	2	3	4	2
Boeing Company (The)	Failed	Report on Climate Lobbying	2	2	2	2	2	2	2	3	2	2
International Business Machines Corporation (IBM)	Failed	Shareholder Proposal Regarding Lobbying Activity Alignment with Net Zero Emissions Target	2	2	4	2	2	2	4	2	2	5
Meta Platforms, Inc.	Failed	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	2	2	4	2	2	2	2	2	2	2
NextEra Energy, Inc.	Failed	Report on Climate Lobbying	2	4	2	2	2	2	2	2	2	2
PACCAR Inc.	Failed	Report on Climate Lobbying	2	2	4	1	2	2	1	2	2	2
Tyson Foods Inc.	Failed	Report on Climate Lobbying	2	2	4	2	2	2	2	1	4	2
Wells Fargo & Company	Failed	Report on Climate Lobbying	2	2	4	2	2	2	2	3	4	2

SHAREHOLDER PROPOSALS

SOCIAL

DIVERSITY, EQUITY & INCLUSION SPOTLIGHT

In 2024, diversity-related proposals received little support from the top ten largest investors

KEY INSIGHTS

- Of the 220 voted upon social shareholder proposals, 51 addressed diversity* issues.
- Other than Fidelity (31.4%), Northern Trust (25.5%), and Geode (13.7%), such diversity related proposals received little support from the top ten largest investors.
- Vanguard (0%), State Street (3.9%), and BlackRock (5.9%) were the least likely to support proposals outright (i.e. excluding split votes).
- Notable topics of diversity proposals focused on pay gap, racial equity and civil rights audits, and diversity, equity & inclusion (DEI) reporting.

DIVERSITY*-RELATED

Investor	% Voted For	% Voted Against	% Abstain	% Split	% Did not vote
Fidelity	31.4%	45.1%	0.0%	21.6%	2.0%
Northern Trust	25.5%	68.6%	5.9%	0.0%	0.0%
Geode	13.7%	84.3%	0.0%	0.0%	2.0%
Invesco	7.8%	74.5%	2.0%	7.8%	7.8%
Goldman Sachs	7.8%	92.2%	0.0%	0.0%	0.0%
Capital Group	5.9%	68.6%	0.0%	2.0%	23.5%
BlackRock	5.9%	94.1%	0.0%	0.0%	0.0%
State Street	3.9%	78.4%	2.0%	15.7%	0.0%
Vanguard	0.0%	100.0%	0.0%	0.0%	0.0%
Dimensional	0.0%	43.1%	0.0%	52.9%	3.9%

** Diversity-related proposals voted were board diversity, pay gap, racial equity & civil rights audit, inclusive hiring, environmental justice, workforce data, and general diversity, equity and inclusion reporting proposals.*

SOCIAL – DEI

PAY GAP

- Pay gap proposals voted on this season attracted little support, although Fidelity supported eight out of 17 outright and was split on another seven.
- One pay gap proposal won support from BlackRock, Geode, and State Street, in addition to Fidelity. However, it failed to receive majority support overall.

PAY GAP

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Amazon.com Inc.	Failed	Report on Median and Adjusted Gender/Racial Pay Gaps	2	2	4	1	2	2	2	2	2	2
American Tower Corporation	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	4	4	1	2	2	4	2	2	2
Apple Inc.	Failed	Report on Median Gender/Racial Pay Gap	2	2	4	1	2	2	2	2	4	2
Applied Materials Inc.	Failed	Report on Median and Adjusted Gender/Racial Pay Gaps	2	2	2	1	2	2	2	2	4	2
Boeing Company (The)	Failed	Report on Median Gender/Racial Pay Gap	2	1	2	4	2	2	2	2	2	2
Charles Schwab Corp/The	Failed	Report on Median Gender/Racial Pay Gaps	2	2	4	1	2	2	2	2	4	2
Chubb Ltd	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	2	4	4	5	2	2	2	2	2
DexCom Inc.	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	2	4	4	2	2	2	2	2	2
Exxon Mobil Corporation	Failed	Report on Median Gender/Racial Pay Gaps	2	2	2	2	2	2	2	2	2	2
Goldman Sachs Group Inc. (The)	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	2	4	4	2	2	2	2	4	2
Intuitive Surgical Inc.	Failed	Report on Gender/Racial Pay Gap	2	2	4	4	2	2	2	2	2	2
Kellanova	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	5	4	4	2	2	2	2	2	2
Marriott International	Failed	Report on Pay Equity	2	2	4	1	2	2	2	2	2	2
Mastercard Incorporated	Failed	Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care	2	2	2	2	2	2	2	2	2	2
Nike Inc.	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	1	4	1	2	2	2	2	4	2
Oracle Corporation	Failed	Report on Median and Adjusted Gender/Racial Pay Gaps	1	2	4	1	1	2	4	2	1	2
Vertex Pharmaceuticals Incorporated	Failed	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	2	2	4	4	2	2	2	2	2	2

SOCIAL – DEI

RACIAL EQUITY AND CIVIL RIGHTS AUDITS

- The five voted upon racial equity audits across R3000 companies attracted little support: only Northern Trust (two out of five) and Geode (one out of five) supported any of the proposals outright.
- None of the two voted civil rights audit proposals attracted support from any from the 'top 10' investors.

RACIAL EQUITY AUDITS

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Geo Group Inc (The)	Failed	Oversee and Report a Racial Equity Audit	2	5	5	2	2	2	5	2	2	2
MetLife Inc.	Failed	Shareholder Proposal Regarding Racial Equity Audit	2	5	2	2	2	2	2	1	2	2
PepsiCo Inc.	Failed	Shareholder Proposal Regarding Racial Equity Audit	2	2	2	2	2	2	2	2	2	2
Walmart Inc	Failed	Shareholder Proposal Regarding Racial Equity Audit	2	5	2	2	1	2	4	1	2	2
Wendy's Company (The)	Failed	Shareholder Proposal Regarding Racial Equity Audit	2	2	2	2	2	2	2	2	4	2

CIVIL RIGHTS AUDITS

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Bank of America Corporation	Failed	Shareholder Proposal Regarding Report on Board Oversight of Discrimination	2	2	2	2	2	2	2	2	2	2
Marriott International	Failed	Report on Third-Party Racial Equity Audit	2	2	2	2	2	2	2	2	2	2

SOCIAL – DEI

DEI REPORTING

- Shareholder proposals asking companies to report on their DEI efforts attracted some support from investors. These proposals typically asked companies to report on the effectiveness of internal DEI programs.
- Northern Trust supported eight out of 13 voted upon proposals, while Fidelity supported five out of 13. BlackRock and Vanguard did not support any of the 13.

DIVERSITY, EQUITY, & INCLUSION REPORTING

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Amkor Technology Inc.	Failed	Shareholder Proposal Regarding Diversity and Inclusion Report	2	1	4	1	2	1	5	1	4	2
Berkshire Hathaway Inc.	Failed	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	2	2	2	1	1	1	1	1	4	2
Cintas Corporation	Failed	Shareholder Proposal Regarding Diversity and Inclusion Report	2	2	4	2	2	2	1	1	1	2
Danaher Corporation	Failed	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	2	2	2	4	2	2	2	2	2	2
DocuSign Inc	Failed	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	2	2	4	1	2	2	2	1	2	2
Eli Lilly and Company	Failed	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	2	2	4	1	2	2	2	2	2	2
Encompass Health Corp	Failed	Shareholder Proposal Regarding Diversity and Inclusion Report	2	2	4	1	2	2	2	2	2	2
Expeditors International of Washington Inc.	Failed	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	2	5	4	4	2	2	2	1	2	2
International Paper Company	Failed	Shareholder Proposal Regarding Report on LGBTQ Equity and Inclusion Efforts	2	5	2	4	2	2	3	1	2	2
Lennar Corporation	Failed	Shareholder Proposal Regarding Report on LGBTQ Equity and Inclusion Efforts	2	2	4	2	2	2	2	1	2	2
Netflix Inc.	Failed	Amend Code of Ethics and Report on Board Compliance with the Amended Code	2	2	2	2	2	2	2	2	2	2
NVR Inc.	Failed	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	2	2	4	2	2	2	1	1	2	2
United Parcel Service Inc.	Failed	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	2	2	4	4	1	2	4	2	2	2

SHAREHOLDER PROPOSALS

SOCIAL

HUMAN CAPITAL MANAGEMENT SPOTLIGHT

Northern Trust was the most likely investor to support shareholder proposals on human capital management, while Vanguard and Capital Group supported none

KEY INSIGHTS

- Of the 220 voted upon social shareholder proposals, 41 addressed human capital management* issues.
- Northern Trust was the most likely to support human capital management proposals, voting for 29.3%. These proposals typically related to how management engaged with its workforce when it was not explicitly related to diversity.
- Fidelity was the second most likely, supporting just under of 25% (22%) of voted proposals.
- Vanguard and Capital Group did not support any proposals. SSGA, Dimensional, and BlackRock each supported a single proposal (2.4%).

HUMAN CAPITAL MANAGEMENT (HCM)

Investor	% Voted For	% Voted Against	% Abstain	% Split	% Did not vote
Northern Trust	29.3%	58.5%	7.3%	2.4%	2.4%
Fidelity	22.0%	70.7%	0.0%	4.9%	2.4%
Geode	14.6%	85.4%	0.0%	0.0%	0.0%
Goldman Sachs	7.3%	90.2%	0.0%	0.0%	2.4%
Invesco	4.9%	61.0%	0.0%	22.0%	12.2%
State Street	2.4%	78.0%	0.0%	19.5%	0.0%
Dimensional	2.4%	78.0%	0.0%	19.5%	0.0%
BlackRock	2.4%	85.4%	0.0%	12.2%	0.0%
Vanguard	0.0%	95.1%	0.0%	0.0%	4.9%
Capital Group	0.0%	73.2%	0.0%	7.3%	19.5%

**Human capital management proposals included artificial intelligence (AI), health and safety of the workforce, freedom of association, workplace harassment, employee pay practices and living wage.*

SOCIAL – HUMAN CAPITAL

ARTIFICIAL INTELLIGENCE (AI)

- AI shareholder proposals, which mainly focused on a board's oversight of the effect of AI on the company workforces, were typically filed with companies either commercializing the technology or at those companies where AI is likely to be extremely disruptive to the organization's workforce or business.
- Fidelity (which supported eight out of 12 such proposals), Northern Trust (seven out of 12) and Geode (five out of 12) were most likely to support these proposals.
- State Street (which supported one out of 12) was the only other investor to support an AI proposal outright.

ARTIFICIAL INTELLIGENCE (AI)

1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Alphabet Inc	Failed	Shareholder Proposal Regarding Amendment to Committee Charter to Require Oversight of AI	2	2	2	2	2	2	2	2	2	2
Alphabet Inc	Failed	Shareholder Proposal Regarding Report on AI Misinformation and Disinformation	2	4	2	1	2	2	4	1	2	2
Alphabet Inc	Failed	Shareholder Proposal Regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising	4	2	4	1	2	2	4	1	2	2
Amazon.com Inc.	Failed	Establish a Board Committee on Artificial Intelligence	4	2	2	2	2	2	2	1	1	2
Apple Inc.	Failed	Report on Use of Artificial Intelligence	2	2	2	1	2	2	4	3	4	2
Chipotle Mexican Grill Inc.	Failed	Shareholder Proposal Regarding Report on Workforce Impacts from AI and Automation Adoption	2	2	2	2	2	2	2	3	2	2
Meta Platforms, Inc.	Failed	Report on Human Rights Impact Assessment of Targeted Advertising	2	2	4	1	1	2	2	1	2	2
Meta Platforms, Inc.	Failed	Report on Generative AI Misinformation and Disinformation Risks	2	4	2	1	1	2	4	1	2	2
Microsoft Corporation	Failed	Report on Risks Related to AI Generated Misinformation and Disinformation	2	2	2	1	2	2	2	4	2	2
Netflix Inc.	Failed	Report on Use of Artificial Intelligence	2	2	2	1	1	2	4	1	2	2
Paramount Global	Failed	Shareholder Proposal Regarding Report on Use of Artificial Intelligence	2	5	2	5	1	5	5	5	2	2
Warner Bros. Discovery, Inc.	Failed	Report on Use of Artificial Intelligence	2	5	2	1	1	2	2	1	2	2

SOCIAL – HUMAN CAPITAL

FREEDOM OF ASSOCIATION (FOA)

- Investor support for Freedom of Association proposals was inconsistent and minimal. Of the 10 proposals that went to a vote, none attracted support outright from more than two investors.
- Three out of the 10 were supported by one investor, with an additional 3 attracting support from two investors.
- Goldman Sachs, Northern Trust, and Invesco each supported two proposals and BlackRock, Fidelity, and Geode each supported one.

FREEDOM OF ASSOCIATION (FOA) — 1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
Amazon.com Inc.	Failed	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	2	2	4	2	2	2	4	2	4	2
Chipotle Mexican Grill Inc.	Failed	Shareholder Proposal Regarding Policy on Freedom of Association	2	2	2	2	2	2	2	2	2	2
CVS Health Corp	Failed	Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association	2	2	2	1	2	2	2	2	2	2
Delta Air Lines Inc.	Failed	Shareholder Proposal Regarding Policy on Freedom of Association	2	2	4	2	2	1	1	2	2	2
International Flavors & Fragrances Inc.	Failed	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	2	2	2	4	2	2	1	2	2	2
Maximus Inc.	Failed	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	2	5	4	2	2	2	5	2	4	5
SkyWest Inc.	Failed	Adopt and Disclose a Freedom of Association and Collective Bargaining Policy	2	5	2	2	1	2	5	2	2	2
Tesla Inc	Failed	Shareholder Proposal Regarding Freedom of Association Policy	2	2	4	2	2	1	4	1	2	2
Warrior Met Coal Inc	Failed	Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association	1	5	2	2	2	2	5	1	4	2
Wells Fargo & Company	Failed	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	2	2	4	4	2	2	2	2	4	2

SHAREHOLDER PROPOSALS

GOVERNANCE

NON-COMPENSATION RELATED PROPOSALS SPOTLIGHT

Northern Trust and Invesco were the most likely investors to support non-compensation-related governance proposals*, while State Street and BlackRock were the least likely

KEY INSIGHTS

- There were 212 Governance proposals unrelated to compensation that went to a vote.
- Northern Trust and Invesco supported the most governance proposals related to non-compensation, voting 'for' 41% of such proposals.
- Dimensional (37%), Geode (33%), Fidelity (30.2%) and Capital Group (27.8%) each supported around one-third of voted proposals.
- State Street (13.7%) and BlackRock (19.3%) supported the fewest proposals outright. Notable themes amongst non-compensation-related governance proposals include board declassification, the right to call a special meeting, and director resignation.

Investor	% Voted For	% Voted Against	% Abstain	% Split	% Did not vote
Northern Trust	41.0%	55.2%	1.4%	1.9%	0.5%
Invesco	41.0%	38.2%	0.5%	0.5%	19.8%
Dimensional	37.3%	57.1%	0.0%	4.2%	1.4%
Geode	33.0%	65.6%	0.0%	0.9%	0.5%
Fidelity	30.2%	59.4%	0.0%	0.9%	9.4%
Goldman Sachs	28.8%	64.6%	0.0%	1.4%	5.2%
Capital Group	27.8%	60.4%	0.0%	10.4%	1.4%
Vanguard	21.7%	74.5%	0.0%	0.9%	2.8%
BlackRock	19.3%	60.8%	0.0%	19.8%	0.0%
State Street	13.7%	39.6%	0.0%	46.7%	0.0%

**Amend bylaws, board composition, board oversight - social, declassify the board, director - \|miscellaneous, director resignation, dual class elimination, employee director, fair director elections, governance - other, independent chair, majority vote - director elections, proxy access - adopt, proxy voting alignment, sale, merger, liquidation, or spin-off, severance pay, simple majority vote, special meeting - adopt, special meeting - reduce, or written consent.*

GOVERNANCE

BOARD CLASSIFICATION

- Investor support for shareholder proposals that wanted to declassify a board was nearly unanimous. Only BlackRock (two out of 7), Goldman (one out of 7), and Vanguard (one out of 7) opposed any of the proposals outright.

BOARD DECLASSIFCATION — 1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
AeroVironment Inc.	Passed	Shareholder Proposal Regarding Board Declassification	1	1	1	1	1	1	1	1	1	1
EPAM Systems Inc.	Passed	Declassify the Board of Directors	1	1	1	1	1	1	1	1	4	1
Meritage Homes Corp	Passed	Shareholder Proposal Regarding Board Declassification	2	1	1	1	1	2	1	1	4	2
Monolithic Power Systems Inc.	Passed	Shareholder Proposal Regarding Board Declassification	4	1	1	1	1	1	1	1	4	1
nCino, Inc.	Passed	Shareholder Proposal Regarding Board Declassification	1	1	1	1	1	1	5	1	4	1
Tesla Inc	Passed	Shareholder Proposal Regarding Board Declassification	1	1	1	1	1	1	1	1	4	1
Universal Health Services, Inc.	Failed	Shareholder Proposal Regarding Board Declassification	2	1	1	1	1	1	1	1	4	1

GOVERNANCE

RIGHT TO CALL A SPECIAL MEETING

- Northern Trust (11 out of 12) and Invesco (eight out of 12) were the most likely to support right to call a special meeting proposals.
- Geode, Capital Group, Goldman Sachs, State Street, and Vanguard supported between three to six of the 12 voted proposals outright.
- BlackRock, Dimensional, and Fidelity supported only one shareholder proposal, which attracted support from nine out of the 10 largest managers despite management recommending against it.

ADOPT SPECIAL MEETING POLICY — 1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
ANSYS Inc.	Passed	Provide Right to Call a Special Meeting	2	2	2	2	1	1	1	1	4	1
Cboe Global Markets Inc	Failed	Shareholder Proposal Regarding Right to Call Special Meeting	2	2	2	2	2	2	1	1	2	2
Conagra Brands Inc.	Passed	Provide Right to Call a Special Meeting	2	1	2	2	1	1	1	1	2	1
Exelon Corporation	Failed	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	2	2	2	2	2	2	2	1	2	2
First Solar Inc.	Failed	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	2	2	2	2	2	2	1	1	2	2
General Mills Inc.	Passed	Shareholder Proposal Regarding Right to Call Special Meeting	2	2	2	2	1	2	1	1	1	2
MarketAxess Holdings Inc.	Failed	Shareholder Proposal Regarding Right to Call Special Meeting	2	2	2	2	1	2	1	1	2	2
Moody's Corporation	Failed	Reduce Ownership Threshold for Shareholders to Call Special Meeting	2	2	2	2	2	2	5	1	1	2
Smith & Wesson Brands, Inc.	Failed	Shareholder Proposal Regarding Right to Call Special Meeting	2	2	2	5	2	2	5	1	2	2
Steel Dynamics Inc.	Failed	Shareholder Proposal Regarding Right to Call Special Meeting	2	2	2	2	2	2	1	2	2	2
Texas Pacific Land Corporation	Passed	Shareholder Proposal Regarding Right to Call Special Meeting	1	1	1	1	1	1	5	1	1	1
Warner Bros. Discovery, Inc.	Passed	Provide Right to Call a Special Meeting	2	1	2	2	1	1	1	1	4	1

GOVERNANCE

DIRECTOR RESIGNATION

- Director resignation proposals were new this year. These proposals asked for changes to a company's bylaws to address directors who do not receive a majority vote but remain on a board as a carryover director.
- Investor support was fairly binary: the majority either strongly opposed, voted for none of the proposals or voted 'for' the vast majority. Dimensional supported eight out of nine and Fidelity supported all voted proposals.
- BlackRock, Capital Group, Geode, Goldman Sachs, Northern Trust, State Street, and Vanguard, each opposed all of the 9 voted proposals.
- Only Invesco had a mixed record: voting 'for' two, did not vote on another two and voting 'against' five proposals.

ADOPT SPECIAL MEETING POLICY — 1 For | 2 Against | 3 Abstain | 4 Split | 5 Did not vote

Company	Outcome	Proposal	BlackRock	Capital Group	Dimensional	Fidelity	Geode	Goldman Sachs	Invesco	Northern Trust	State Street	Vanguard
American International Group Inc.	Failed	Shareholder Proposal Regarding Mandatory Director Resignation Policy	2	2	1	1	2	2	2	2	2	2
Capital One Financial Corporation	Failed	Adopt Director Election Resignation Bylaw	2	2	1	1	2	2	2	2	2	2
Mastercard Incorporated	Failed	Shareholder Proposal Regarding Mandatory Director Resignation Policy	2	2	1	1	2	2	2	2	2	2
Netflix Inc.	Failed	Amend Director Election Resignation Bylaw	2	2	1	1	2	2	1	2	2	2
Olin Corporation	Failed	Shareholder Proposal Regarding Mandatory Director Resignation Policy	2	2	1	1	2	2	5	2	2	2
Otis Worldwide Corp	Failed	Shareholder Proposal Regarding Mandatory Director Resignation Policy	2	2	1	1	2	2	2	2	2	2
Packaging Corporation of America	Failed	Amend Director Election Resignation Bylaw	2	2	1	1	2	2	5	2	2	2
PepsiCo Inc.	Failed	Shareholder Proposal Regarding Mandatory Director Resignation Policy	2	2	2	1	2	2	2	2	2	2
Xerox Holdings Corporation	Failed	Amend Director Election Resignation Bylaw	2	2	1	1	2	2	1	2	2	2

GEORGESON'S 2024

STRUCTURAL CHANGES INSIGHTS

KEY INSIGHTS

- When BlackRock, State Street or Dimensional disclosed a split vote on shareholder proposals, over 95% of the votes were aligned either 'for' or 'against'.
- BlackRock and State Street disclosed a significant increase in split votes for director elections and SOP votes. S&P 500 companies saw a greater number of split votes occurring, ranging from 34% to 59%, whereas R3000 saw a split of 8% to 52%.
- Analysis of client-directed voting splits showed that an overwhelming majority of shares voted remained in alignment with the stewardship policies of the Big Three.

STRUCTURAL CHANGES

SPLIT VOTE ANALYSIS

Institutional investors 'split votes' on shareholder proposals showed negligible impact on voting outcomes

KEY INSIGHTS

- **Based on our analysis of a sample of proposals, when a split is disclosed, the vast majority of shares had a vote alignment in a particular direction.**
- For the three managers disclosing a high proportion of split votes, the average was between 96.75% and 99.93% of shares voted in the same direction for the sample analyzed (further analysis on split votes is on the next page).
- The 2024 season saw a significant increase in split votes disclosed by BlackRock and State Street.
- BlackRock was more likely to split on proposals voted amongst S&P 500 companies (12.9%) than R3000 companies (2.6%). This trend aligns with the availability of BlackRock's client-directed voting, which was only available within its iShares S&P 500 Index during the 2024 season.
- Dimensional, also disclosed a high proportion of splits, as was the case in 2023.

SHAREHOLDER PROPOSAL SPLIT DISCLOSURE

	% Overall	% Environmental	% Social	% Governance	% Anti-ESG
State Street	**27.4%**	20.5%	17.7%	**47.9%**	3.3%
Dimensional	**17.0%**	**51.8%**	23.6%	5.4%	0%
BlackRock	**11.0%**	2.4%	4.5%	**23.3%**	2.2%

Based on voting data provided by Diligent

SPLIT VOTE ANALYSIS: DETAILS FROM SAMPLE OF SHAREHOLDER PROPOSAL SPLIT

For the three managers disclosing a high proportion of split votes, the average was between 96.75% and 99.93% of shares voted in the same direction.

	Company	Proposal	State Street	Dimensional	BlackRock
G	AT&T	Improve clawback policy or unearned pay for each neo	99.95%	N/A	99.88%
G	Bristol-Myers Squibb	Shareholder proposal on the adoption of a board policy that the chairperson of the board be an independent director	99.92%	N/A	99.93%
G	Cadence Design Systems	Stockholder proposal regarding vote on golden parachutes	99.99%	N/A	N/A
G	Duke Energy	Shareholder proposal regarding executives to retain significant stock	99.86%	N/A	99.78%
G	Ecolab	Vote on a stockholder proposal regarding an independent board chair policy, if properly presented at the meeting	99.91%	N/A	99.91%
G	Ford Motor Company	Relating to consideration of a recapitalization plan to provide that all of the company's outstanding stock have one vote per share	99.91%	N/A	99.95%
G	Goldman Sachs Group	Require independent board chair	99.97%	N/A	99.95%
G	Honeywell International	Require independent board chair	99.93%	N/A	99.88%
G	Southwest Airlines Company	Advisory vote on shareholder proposal amend clawback policy for executive pay	99.86%	N/A	99.91%
G	United Parcel Service	Approve recapitalization plan for all stock to have one-vote per share	99.93%	N/A	99.89%
S	Amkor Technology (AMKR)	Shareholder proposal to report on effectiveness of the company's diversity, equity, and inclusion efforts.	99.95%	99.17%	N/A
S	Amazon	Shareholder proposal requesting additional reporting on freedom of association	99.95%	93.24%	N/A
S	Amazon	Shareholder proposal requesting an additional board committee to oversee public policy	99.92%	N/A	99.88%
S	Apple	Report on racial and gender pay gaps	99.78%	93.81%	N/A
S	Goldman Sachs Group	Median gender and racial pay equity report	99.96%	96.87%	N/A
S	Wells Fargo & Company	Annual report on prevention of workplace harassment and discrimination	99.94%	97.56%	N/A
S	Wells Fargo & Company	Report on respecting Indigenous Peoples' rights	99.94%	97.56%	N/A
S	Wells Fargo & Company	Third-party assessment of respect for freedom of association and collective bargaining	99.94%	97.56%	N/A
E	Bank of America	Shareholder proposal requesting report on lobbying alignment with Bank of America's climate goals	99.97%	97.01%	N/A
E	Bank of America	Shareholder proposal requesting disclosure of clean energy financing ratio	99.97%	97.01%	N/A
E	Goldman Sachs Group	Shareholder proposal regarding disclosure of clean energy supply financing ratio	99.96%	96.87%	N/A
E	Wells Fargo & Company	Shareholder proposal - annual climate lobbying congruency report	99.94%	97.56%	N/A
	Average Alignment on Voting		**99.93%**	**96.75%**	**99.89%**

Note: Based on voting data provided by Diligent

Did Not Split | For | Against

SPLIT VOTE ANALYSIS

SPLIT VOTING FOR DIRECTORS AND 'Say on Pay' INCREASED SIGNIFICANTLY*

- There was a significant increase in the number of splits disclosed by State Street and BlackRock for SOP and director elections.
- The increase ranged from:
  - less than a percentage point for BlackRock up to 53%
  - low single digits for State Street up to 55% of votes cast
- The dramatic increase in splits disclosed can, in part, be attributed to the increased availability of client-directed voting as well as proportional voting. Similar to shareholder proposals, early analysis shows that split voting had little impact on the overall votes cast by each institution that disclosed split voting.
- Our analysis (slides 32 and 33) of split voting by BlackRock, State Street and Vanguard showed that votes cast were 98-99% aligned with their standard stewardship policies.
- Split voting by BlackRock occurred much less frequently amongst R3000 companies compared to those in the S&P 500. This trend is in line with the limited offering of client-directed voting at BlackRock, which was only available in its S&P 500 iShares ETF.
- SOP supportive votes filed by SSGA and BlackRock were significantly higher upon removing split votes. The noticeable increase in splits is likely attributable to various proportional voting mandates and multiple stewardship policy options available to both firms' customers. By removing votes where a split occurred from the dataset, the remaining votes were more likely to see stronger alignment amongst shareholders. As a result, shareholder support increased.

SPLITS DISCLOSURES: DIRECTOR ELECTION CHANGE

	Index	2023	2024	Change in splits
State Street	S&P 500	**3.9%**	**59.2%**	**55.3%** ▲
	R3000	**0%**	**52.2%**	**52.2%** ▲
BlackRock	S&P 500	**0%**	**53.1%**	**53.1%** ▲
	R3000	**0.3%**	**15.2%**	**14.9%** ▲

SPLITS DISCLOSURES: SOP CHANGE

	Index	2023	2024	Change in splits	Change in support rate
State Street	S&P 500	**0.4%**	**34.9%**	**34.5%** ▲	**5.3%** ▲
	R3000	**.1%**	**25.5%**	**25.1%** ▲	**7%** ▲
BlackRock	S&P 500	**0.2%**	**37.6%**	**37.4%** ▲	**4.1%** ▲
	R3000	**0.4%**	**8.2%**	**7.8%** ▲	**1.9%** ▲

**Based on voting data provided by Diligent*

STRUCTURAL CHANGES

CLIENT-DIRECTED VOTING PILOT

Client-directed voting by the Big Three had minimal impact on proxy voting during the 2023-2024 proxy year*

KEY INSIGHTS

Initial analysis of The Big Three reveals that that the overwhelming majority of shares voted aligned with the stewardship policy of that manager.**

- Each of the Big Three has taken a different approach to client-directed voting. To ensure a comparable analysis of each manager's approach, we looked at three Fortune 100 companies included in funds where client-directed voting was available.
- Based on the selected securities (i.e. Fortune 100 firms with large retail participation), it's likely that client-directed voting is currently having a negligible impact on voting outcomes.
- Between 98.7% and 99.7% of shares voted remained in alignment with the stewardship policies of the Big Three, with Vanguard having the lowest correlation (98.7%) and BlackRock the highest (99.7%).

VOTING ALIGNMENT WITH STANDARD POLICY

**The analysis for each of the Big Three investors included the same combination of four selected management and shareholder proposals across three Fortune 100 companies.*

***State Street's various proportional voting mandates and approach to client-directed voting means that assessing and determining how the firm's votes align with its standard stewardship practices can be complex. For example, a State Street client can choose from one of nine different voting guidelines available to numerous funds, including within co-mingled funds.*

CLIENT-DIRECTED VOTING: FUND LEVEL DISCLOSURE FOR SPLIT VOTING

Initial analysis of larger investors reveals that the overwhelming majority of shares voted aligned with the stewardship policy of that manager, showing client-directed voting had minimal impact on voting outcomes.

Vanguard

AUM Coverage

1.67%

98.74%

Voting Aligned with Stewardship Policy

Vanguard disclosed that its pilot program provided client-directed voting for approximately $100B of its equity index fund assets under management, initially representing a minimal portion of its more than $6 trillion in total equity index assets.

State Street*

AUM Coverage

80%

99.48%

Voting Aligned with Stewardship Policy

State Street has not disclosed the level of participation in client-directed voting. The option for Client-directed voting covers 80% of the equity assets managed by State Street.

BlackRock

AUM Coverage

50%

99.73%

Voting Aligned with Stewardship Policy

BlackRock disclosed that client-directed voting was an option for $2.8 trillion, or nearly half, of its $5.6 trillion index equity assets under management, but clients representing $634B (22.64%) out of assets available to participate are doing so.

Four Client Voting Policy Options

Fund	VGI Stewardship	Differ from Stewardship		
		With MGMT	Abstention	GL ESG
Average allocation of eligible voting choice funds	98.74%	**1.26%**		
		0.46%	0.03%	0.77%
Vanguard S&P 500 Growth Index Fund	99.20%	0.55%	0.04%	0.21%
Vanguard Mega Cap Index Fund	99.22%	0.61%	0.01%	0.16%
Vanguard Russell 1000 Index Fund	99.52%	0.31%	0.01%	0.15%
Vanguard ESG U.S. Stock ETF	96.78%	0.10%	0.02%	3.10%
Vanguard Dividend Appreciation Index Fund	98.99%	0.72%	0.05%	0.24%

Nine Client Voting Policy Options

Fund	SSGA Stewardship	Differ from Stewardship
Average allocation of eligible voting choice funds	99.48%	**0.52%**
SPDR Portfolio S&P 1500 Composite Stock Market ETF	99.51%	0.49%
SPDR Portfolio S&P 500 ETF	99.70%	0.30%
SPDR Portfolio S&P 500 Growth ETF	99.70%	0.30%
SPDR S&P 500 ESG ETF	99.83%	0.17%
SPDR S&P 500 Fossil Fuel Reserves Free ETF	98.67%	1.33%

**Sample of funds where client-directed voting is likely available.*

Seven Client Voting Policy Options

Fund	BlackRock Stewardship	Differ from Stewardship
iShares Core S&P 500 ETF*	99.73%	**0.27%**

*Only fund offered within the pilot

GEORGESON'S 2025

LOOKING AHEAD

Georgeson

PROXY SEASON 2025

LOOKING AHEAD

Changes made during the 2023-2024 AGM proxy season required investors previously exempt from filing Form N-PX (e.g. hedge funds) to disclose their voting on compensation-related proposals. There were also additional changes made to existing required disclosures that provided greater insights into investors' behaviors, including the following:

NEW 13F FILERS

- The increase in the number of investors required to file 13F has significantly expanded the available data on proxy voting.
- Such data can offer valuable insights into investor voting behavior on topics such as SOP and other compensation-related proposals.

SHARES ON LOAN

- All N-PX filers must now disclose shares on loan and the number of shares voted.
- Such data provides insights into investors' share lending tendencies, including the frequency and size of an investor's securities lending, as well as the types of securities (large, mid and small cap) that are more prone to lending activity.

SHAREHOLDER PROPOSALS

- The past few years there has been an increase in the polarization and politization of shareholder proposals, which is likely to continue in the 2025 season.
- Given the attention from shareholders to the proxy process, there is likely to be a high volume of shareholder proposals, however support from investors is likely to continue to wane.
- With a change in administration at the SEC, this report expects issuers to be able to operate in a friendlier environment, for example, more 'No-Action' reliefs are likely to be granted.

CLIENT VOTING CHOICE

- N-PX data gives insights into the impact of client voting choice programs.
- We observed that client voting choice programs rolled out during the 2023-2024 AGM proxy season did not have a significant impact on overall vote outcomes.
- Vanguard recently announced plans to expand the assets eligible to participate in its proxy voting pilot program next year, with a total of eight funds (three being added) representing nearly $250B in assets under management. Vanguard also plans to add new policy options.

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Georgeson collected data from multiple sources, including voluntary disclosures on investment management companies' websites, mandatory N-PX disclosures and information provided by Diligent Market

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