



2021 ANNUAL CORPORATE GOVERNANCE REVIEW

CERTAINTY

INGENUITY

ADVANTAGE

Georgeson



CONTENTS

Introduction and Report Methodology	3
Section 1: Virtual Meetings	6
Section 2: Shareholder Proposals	7
Section 3: Director Elections	30
Section 4: Say-on-Pay	33
Section 5: Key Figures and Trends from Georgeson's European Season Review	35

INTRODUCTION AND REPORT METHODOLOGY

Introduction

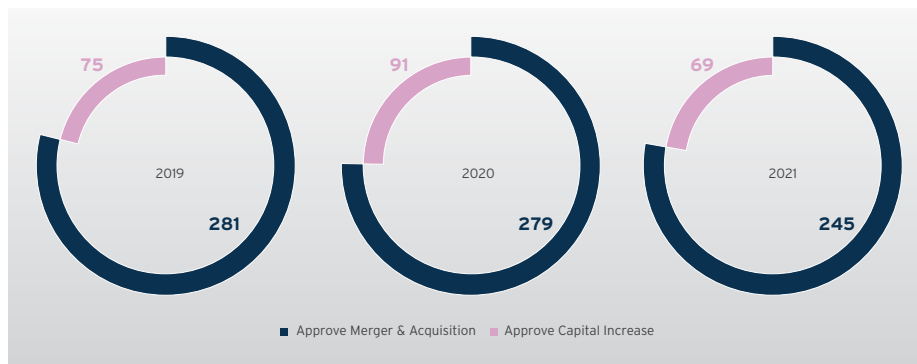
Our 2021 Annual Corporate Governance Review (ACGR or Review) – now in its 34th year – provides a comprehensive review of voting outcomes for S&P 1500 companies' 2021 annual meetings.¹ All shareholder meeting voting outcomes presented in this report are for the S&P 1500, unless otherwise indicated. The report also contains an analysis of institutional investor voting decisions on key shareholder proposals and director elections from this season.

2021 Report Updates

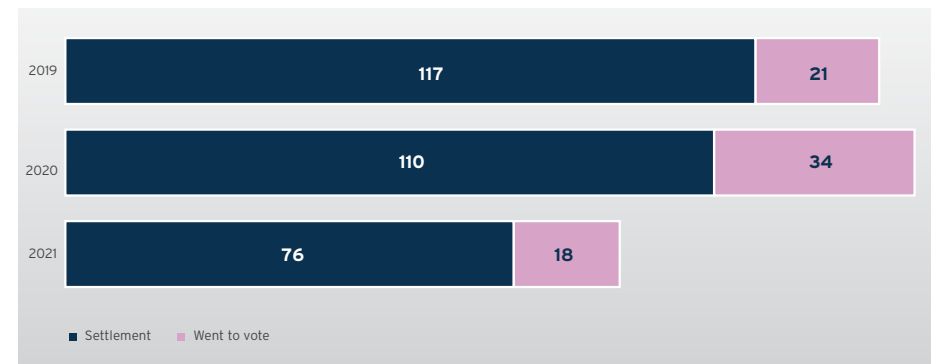
Inaugural Global M&A Activism Report

In the past, our ACGR has featured key insights on M&A and activism trends from the prior season. This year, we will be publishing a separate comprehensive global report on M&A and activism, expected to be released in January 2022. That report will discuss how investor attention to a company's environmental, social and governance (ESG) characteristics and vulnerabilities gave rise to a new form of activism – one focused on strengthening companies with perceived environmental and social (E&S) weaknesses while holding directors accountable. The report will also detail how the growing interest in SPACs impacted the M&A market in 2021. Working alongside our global colleagues, we will provide insights into how the 2021 M&A and activism outcomes will shape the 2022 landscape. Some key US trends seen in graphs below:

M&A ACTIVITY – 2019-2021



OUTCOMES OF ACTIVIST DEMANDS FOR BOARD REPRESENTATION AT US COMPANIES – 2019-2021



¹ We consider the 2021 proxy season to include meetings that occurred between July 1, 2020 and June 30, 2021. Any prior proxy season results are also reported on the same basis.

INTRODUCTION AND REPORT METHODOLOGY

Georgeson Global AGM Insights

Each year our Georgeson colleagues in the UK and Europe publish an annual review of the European AGM season containing a comprehensive analysis of trends witnessed in the following major markets: UK, France, the Netherlands, Germany, Switzerland, Italy and Spain.

A preview of the Season Review can be found in Section 5 – page 35

You can access the full report here: <https://www.georgeson.com/uk/insights/2021-agm-season-review>

Methodology

Vote Calculations

We calculate management proposal outcomes as follows:

- The votes cast for and against as a percentage of votes cast on the proposal
- The votes cast for and against as a percentage of the company's total outstanding shares as of the meeting record date

For shareholder proposals, we used company's applicable vote standard to determine passage or failure.

Vote Data

The shareholder proposal, director election and say-on-pay voting data discussed herein related to companies that:

- 1) are members of the S&P 1500 Index and
- 2) held annual meetings July 1 through June 30 of the related proxy season year.

Information about votes cast for, against, withheld, abstained and broker non-votes was gathered with the assistance of Insightia. Website: <https://www.insightia.com/>

Information on shareholder proposals withdrawn or omitted was gathered with the assistance of Institutional Shareholder Services (ISS) Corporate Solutions. Website: <https://www.isscorporatesolutions.com/>

Shareholder Proposal Categorization

There is inherently some subjectivity in categorizing the focus and subject matter of shareholder proposals.

For purposes of this Review, governance proposals include proposals addressing topics such as: shareholder special meeting and written consent rights; voting standards; dual class structures; independent board chairs; proxy access; board declassification; director term limits; executive compensation matters, including stock ownership guidelines; and shareholder approval of bylaw amendments.

Social proposals address a broad set of topics, including: board and employee diversity matters; discrimination and sexual harassment; mandatory arbitration policies; pay disparity; public health and welfare; human rights; employee welfare and workplace matters; product safety; animal welfare; disclosure of board qualification matrices, including director nominees' ideological perspectives; political contributions disclosure; and disclosure of lobbying policies and practices.

Environmental proposals address topics including climate change risks and reporting; greenhouse gas (GHG) emissions goals; recycling, single-use plastics and sustainable packaging; renewable energy; environmental impact reports; and sustainability reports.

This year, shareholder proposals concerning compensation linked to ESG topics were allocated to either the social or environmental categories, depending on the specifics of the proposal. Please contact us for more details.

INTRODUCTION AND REPORT METHODOLOGY

Investor Vote Decision Research

Throughout the report we have provided detailed information about select investors' voting decisions on specific proposals voted upon this proxy season. The investors selected for review in this report vary by proposal type and topic.

Investor voting decision data on shareholder proposals was collected from public filings, including N-PX filings released in August 2021. For certain proposals, we have reported on individual investor vote decisions using a color-coded symbol system. In other instances, we have detailed historical institutional investor vote support for shareholder proposals.

In an effort to illustrate voting decisions across a range of large institutional investors, the investors selected (BlackRock, Vanguard, and State Street) voting decision data for S&P500 director elections was collected from public filings, including N-PX filings released in August 2021.

Other Notes

Data collection and calculation methodologies aim to provide accuracy and comparability of our statistics from company to company and from year to year.

Calculations of percentage of votes cast may not equal 100% due to rounding.

Georgeson has collected and published statistics on corporate governance trends since 1987, the year institutional investors first sponsored shareholder proposals.

If you have any questions for Georgeson, please call us at (212) 440-9800 or email us at info@georgeson.com.

ACGR Insights

Following the publication of the 2021 Annual Corporate Governance Review, we will release subsequent reports with additional observations gathered through a series of "ACGR Insights." Georgeson's ACGR Insights will dive deeper into the topics presented in this Annual Corporate Governance Review with further analysis of voting data and corporate governance trends.

About Georgeson

Established in 1935, Georgeson is the world's leading provider of strategic shareholder services to corporations and shareholder groups working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our core proxy expertise is enhanced with and complemented by our strategic advisory services, including solicitation and engagement strategy, shareholder identification, corporate governance advice, vote projections and insight into investor ownership and voting profiles. Our local presence and global footprint allow us to provide a holistic perspective on shareholder matters, as well as to analyze and mitigate operational risk associated with various corporate actions worldwide. For more information, visit www.georgeson.com.

Acknowledgements:



Seon Barbera

John Carroll

Don Cassidy

Yin Chang-D'Arcy

Lex Friedman

Edward Greene

Rajeev Kumar

Michael Maiolo

Aaron Miller

Kilian Moote

Hannah Orowitz

Brigid Rosati

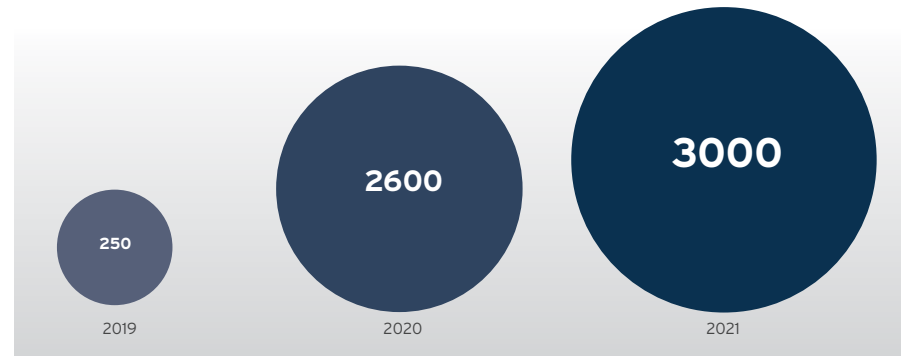
Talon Torressen

SECTION 1 | VIRTUAL MEETINGS

As the COVID-19 pandemic took hold in early 2020, many companies opted for virtual meetings and the Securities and Exchange Commission (SEC), investors, advisory groups, and state governments accommodated this process². As risks related to travel and large gatherings continued to be a concern in the 2021 proxy season, most companies that opted for a virtual meeting in 2020 did so again this year³. With the increase in virtual meetings, sustained now for a second season, there have been a number of developments in the virtual meeting landscape:

- In December 2020, the “Report of the 2020 Multi-Stakeholder Working Group on Practices for Virtual Shareholder Meetings” was released, outlining best practices for companies choosing a virtual format.⁴ Georgeson’s parent company, Computershare Ltd., served on the steering commission for this industry effort.
- In March 2021, the proxy intermediary Mediant announced an API (application programming interface) that would allow them to validate their clients’ street-name positions at virtual meetings hosted by other platform providers.⁵ Combined with Broadridge’s similar announcement from November 2020, this means the vast majority of street name holders are able to vote their proxies at virtual meetings, regardless of platform.^{6,7}

US VIRTUAL MEETING USAGE SINCE 2019



² See details in “The Impact of COVID-19 on the 2020 Proxy Season” in our 2020 ACGR: <https://www.georgeson.com/us/Documents/acgr/acgr2020.pdf>

³ Report of the 2020 Multi-Stakeholder Working Group on Practices for Virtual Shareholder Meetings – Appendix B, Key 2018-2020 Statistics - https://cclg.rutgers.edu/wp-content/uploads/VSM-Working-Group-Report-12_10_2020.pdf

⁴ https://cclg.rutgers.edu/wp-content/uploads/VSM-Working-Group-Report-12_10_2020.pdf

⁵ <https://www.mediantinc.com/news/mediant-api-creates-digital-legal-proxy>

⁶ <https://www.broadridge.com/press-release/2020/broadridge-announces-next-generation-vsm-platform>

⁷ Virtual Meeting data provided by Institutional Shareholder Services (ISS) Corporate Solutions.

SECTION 2 | SHAREHOLDER PROPOSALS

The 2021 proxy season produced unprecedented results, including record high proposal submission levels, average support levels and passage levels, among other notable results related to shareholder proposals. These results reveal that investors' heightened focus on ESG risks and opportunities is having a meaningful impact on voting decisions, such as:

- A total of 71 shareholder proposals passed, compared to 45 in 2020 and 50 in 2019
- 33 environmental and social proposals passed⁸, the highest number on record and an 83% increase compared to the 2020 proxy season
- Over one third of environmental shareholder proposals voted upon passed; average support across voted proposals exceeded 39%
- Average support for social proposals increased to 32.6%, compared to approximately 27% average support in both the 2020 and 2019 seasons

- Record-breaking support for shareholder proposals focused on political spending, plastic pollution, greenhouse gas emissions, deforestation and board and workforce diversity, as well as management-supported proposals relating to climate change, diversity, equity and inclusion (DE&I) and human rights
- A sizeable increase in negotiated settlements (withdrawals) of shareholder proposals compared to the 2020 and 2019 proxy seasons

To analyze proposal results, we separated proposals into environmental (E), social (S) and corporate governance (G) categories, with ESG-linked compensation proposals classified as either environmental or social proposals depending on the metrics focused upon in the proposal. While shareholder proposal recipients tend to be concentrated within the S&P 500, these proposals serve as a bellwether for where investors' priorities lie. Accordingly, we believe these trends are important for all companies to understand.

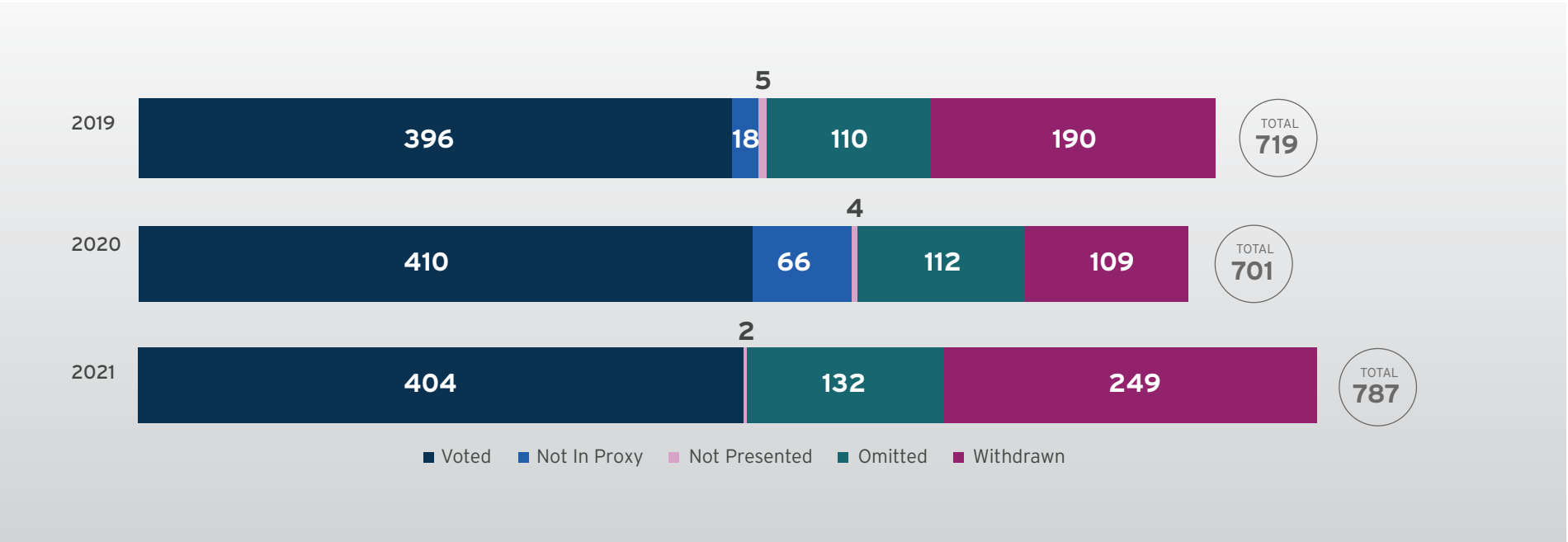
The 2021 proxy season produced unprecedented results including record high submission levels, average support levels and passage levels

⁸ One additional proposal received majority support but did not pass under the company's applicable voting standard.

SECTION 2 | SHAREHOLDER PROPOSALS

Across shareholder proposal categories, proponents submitted 787 proposals in the 2021 season, the highest on record since we began publishing the ACGR. However, due to the high number of proposals withdrawn or not included in proxy statements in 2021 (249 in 2021 versus 175 in 2020), the number of proposals voted upon was roughly in line with the number voted upon in 2020 and 2019, while passages increased significantly.

S&P 1500 SHAREHOLDER PROPOSAL ACTIVITY, 2019-2021

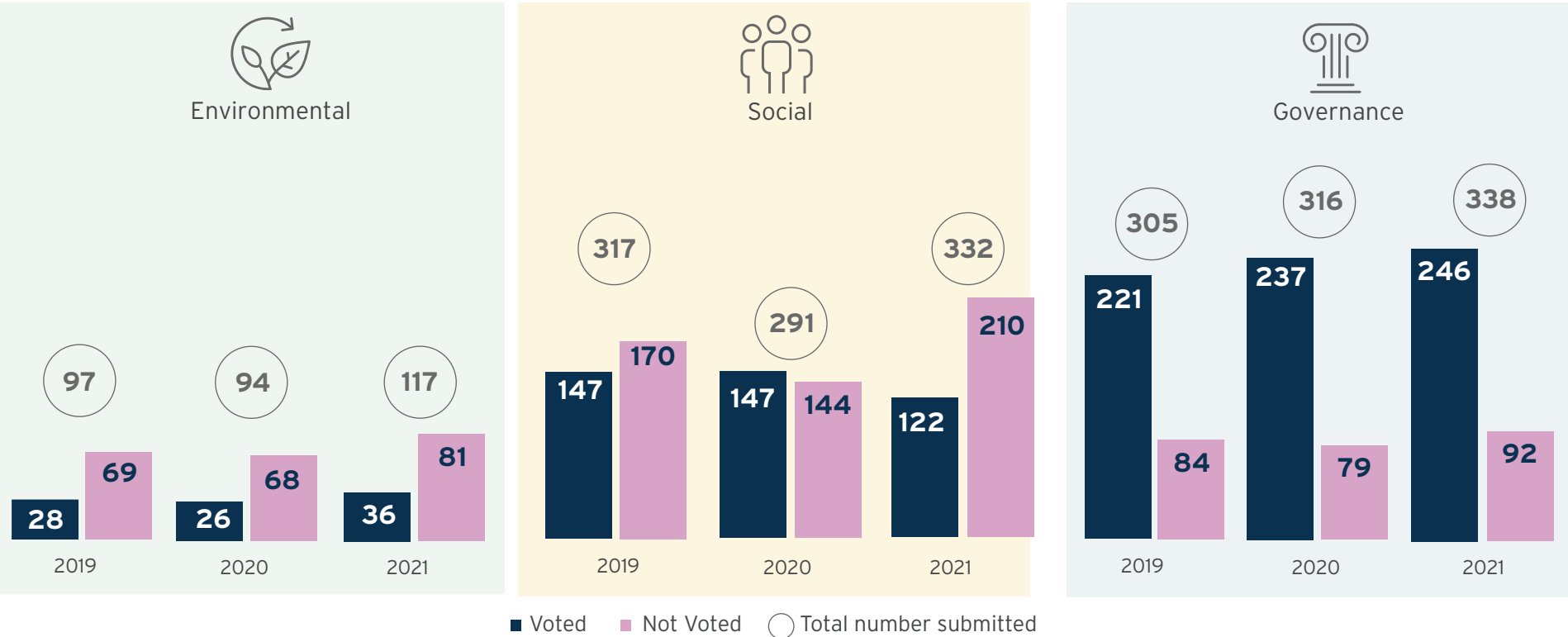


SECTION 2 | SHAREHOLDER PROPOSALS

The number of proposals submitted in each category increased, with environmental proposals increasing most dramatically – by almost 25%; social and governance proposals increased by 14% and 7%, respectively. Notwithstanding these record submission levels, the number of social proposals voted upon decreased this year, with withdrawals of proposals addressing workforce diversity-related matters having a particularly notable impact on the number of such proposals that went to a vote (accounting for 62 withdrawals).

A large number of withdrawals also occurred among environmental proposals, with climate-related proposals accounting for 51 withdrawals, although the number voted upon year over year increased slightly due to the significant increase in submissions. As for proposals receiving no-action relief, those numbers have held relatively steady, representing approximately 17%, 16% and 15% of all proposals for 2021, 2020 and 2019, respectively.

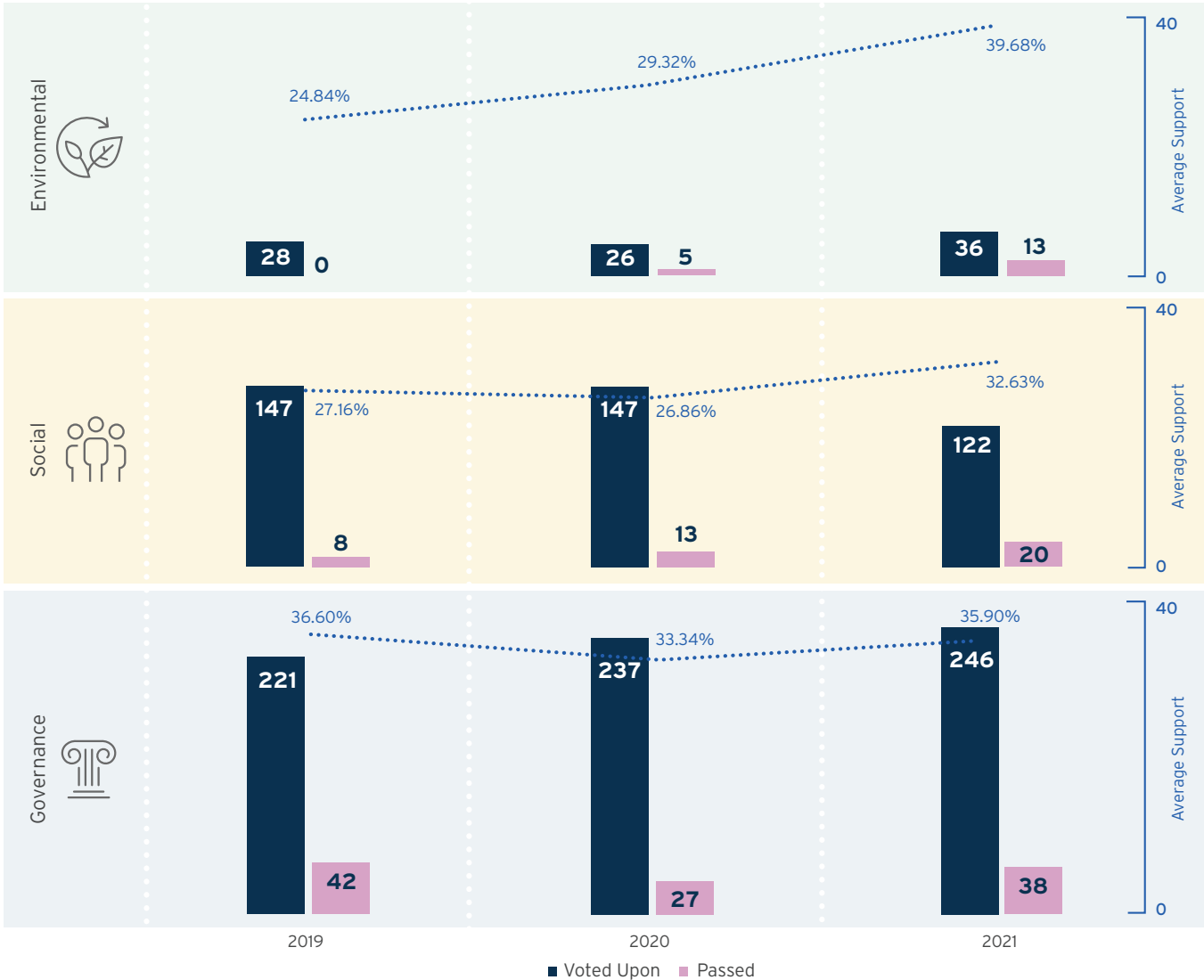
S&P 1500 SHAREHOLDER PROPOSALS SUBMITTED AND VOTED, 2019-2021



SECTION 2 | SHAREHOLDER PROPOSALS

Average support increased across environmental, social and governance proposals, with environmental proposals accounting for the largest year over year increase. This result is not surprising given investors' significant focus on climate-related issues and accompanying revisions to proxy voting guidelines to incorporate that focus heading into the peak 2021 proxy season.

S&P 1500 PROPOSALS VOTED AND AVERAGE SHAREHOLDER SUPPORT, 2019-2021



SECTION 2 | SHAREHOLDER PROPOSALS

The most active shareholder proponents during the 2021 season are all familiar names, and included individuals, socially responsible investors, pension funds, labor unions and faith-based organizations. The Chevedden group⁹ of investors accounted for the largest number of proposals submitted. As in previous years, the individuals comprising that group largely focused on traditional governance matters, although they did file more environmental and social proposals than in previous years, with particular focus on political spending and corporate purpose.

The table below identifies the number of environmental, social and governance proposals filed by the top 10 proponents by submission volume.¹⁰

TOP SHAREHOLDER PROPONENTS

PROPONENT	TOTAL SUBMISSIONS	ENVIRONMENTAL	SOCIAL	GOVERNANCE
Chevedden Group	252	2	24	226
As You Sow Foundation	79	38	39	2
NYC Comptroller/NYC Employees/NYC Pension	46	1	41	4
Mercy Investment Services	31	12	16	3
Comptroller of the State of New York/New York State Common Retirement Fund	28	6	17	5
National Center for Public Policy Research	20	0	13	7
Trillium Asset Management	20	3	15	2
Green Century Capital Management	19	19	0	0
Calvert Research & Management	18	1	17	0
Service Employees International Union/SEIU	14	0	14	0
Benedictine Sisters of Mount St. Scholastica	14	1	11	2
Arjuna Capital	14	2	10	2
The Sisters of St. Francis, Philadelphia	14	2	9	3

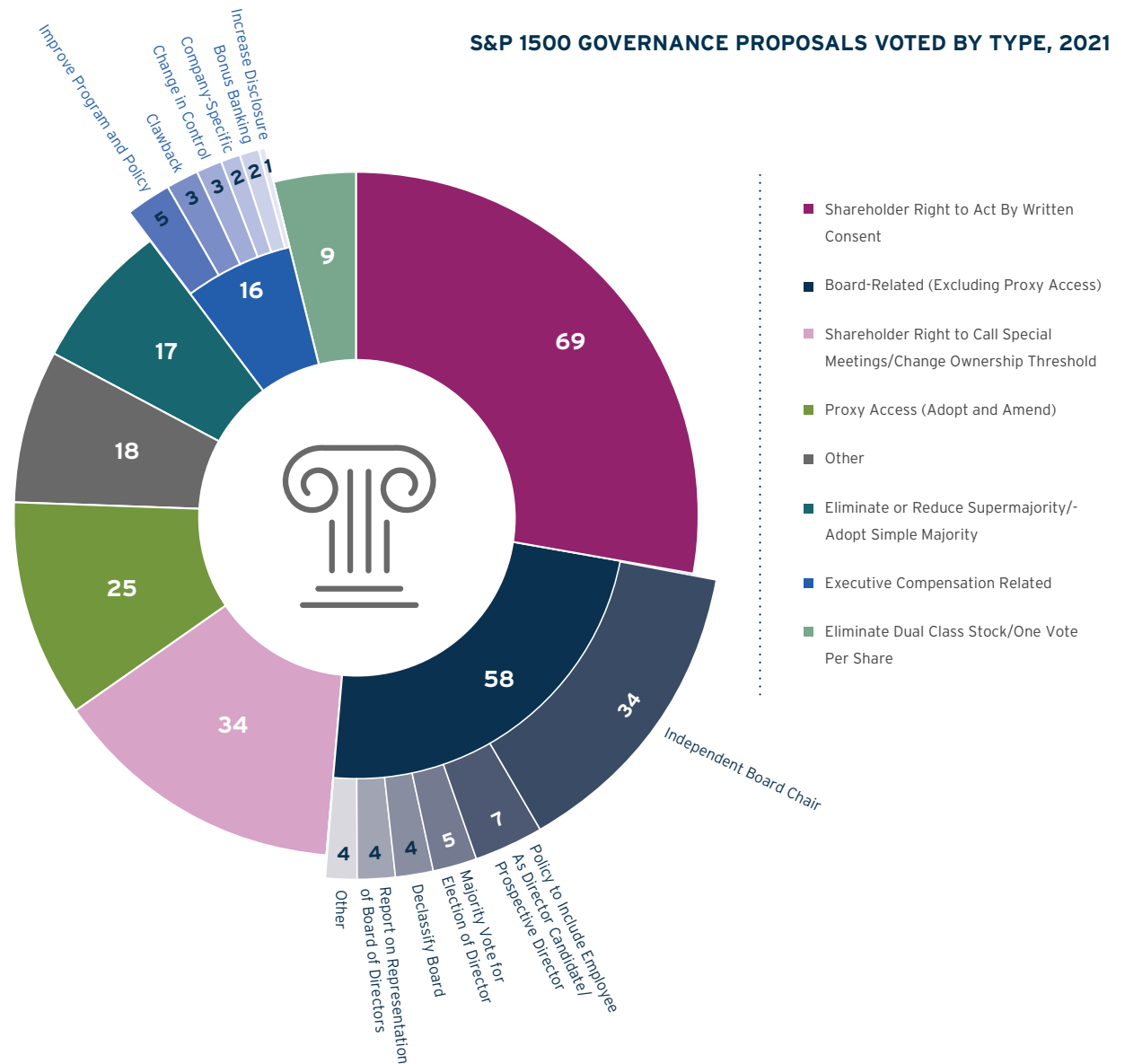
⁹ Includes John Chevedden, Kenneth Steiner, William Steiner, Myra Young and James McRitchie.

¹⁰ Includes proposals where the proponent was either a lead or co-filer, and aggregates proposals filed by pensions within each of the New York City and New York State pension systems.

SECTION 2 | SHAREHOLDER PROPOSALS

Governance proposals

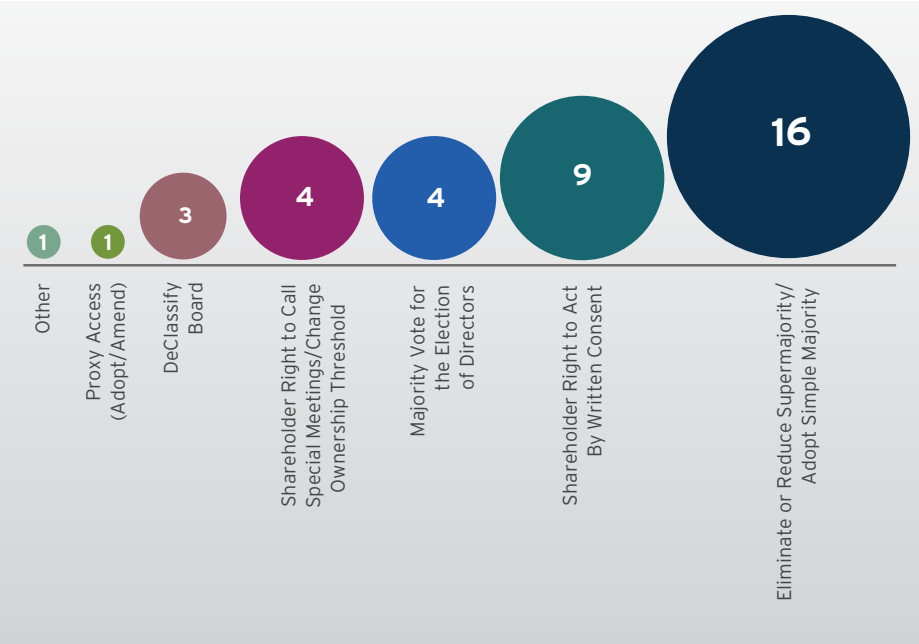
The number of governance proposals voted upon in 2021 (246) increased slightly compared to the 2020 and 2019 proxy seasons (237 and 221, respectively). Proposals addressing the right to act by written consent was the most prevalent category of proposals, followed by a variety of proposals addressing topics such as separation of chair and CEO, as well as majority voting and board declassification, and proposals relating to special meeting rights.



SECTION 2 | SHAREHOLDER PROPOSALS

38 governance-related proposals passed, with those relating to majority voting standards and shareholder action by written consent accounting for the majority of such proposals.

S&P 1500 GOVERNANCE PROPOSALS THAT PASSED



As in prior years, we observed fewer withdrawals of governance-related proposals as compared to environmental or social proposals, and the topics addressed by such proposals were largely consistent with prior years, with some variation to the specifics of such proposals. For example, the Chevedden group's proposals seeking to amend written consent rights to lower the ownership threshold necessary to set a record date adjusted the ownership threshold sought upwards to 10%, compared to the 3% threshold proposed in the 2020 season.¹¹ Nine written consent proposals passed this season, up from two passing in 2020. ISS' recommendations may have contributed to this increased support, as it recommended votes against all amended proposals in 2020, whereas it supported all proposals in 2021, although institutional investors likely also viewed the higher threshold as a more appropriate balance of shareholder rights and company protections.

Unlike written consent proposals – most of which are focused on the adoption of such rights given this is not yet a majority practice within the S&P 500 – most of the proposals addressing the right to call a special meeting focused on amendment of existing rights to lower the ownership threshold necessary to call a special meeting, given the vast majority of S&P 500 companies have already adopted such a right. Where such adoption proposals are voted upon, they tend to be highly supported, with 3 of 6 such proposals passing during the 2021 season. On the other hand, only 1 of 28 proposals seeking to amend an existing right passed, suggesting that the majority of investors generally continue to be accepting of the 20%+ thresholds that are currently majority practice within the S&P 500.

¹¹ These proposals typically seek to lower the threshold from a higher threshold provided in the target company's organizational documents.

SECTION 2 | SHAREHOLDER PROPOSALS

Consistent with prior years, compensation-related shareholder proposals that reached a vote during 2021 tended to receive relatively low support, and none passed during 2021. Such results are not surprising given that investors primarily rely on say-on-pay votes and director elections to express concerns regarding compensation practices. Shareholder proposals seeking to link executive compensation program metrics to environmental and social issues are addressed in the environmental and social proposal discussions later in this report.

Looking at board-related proposals, no proposals seeking to separate the roles of chair and CEO received majority support, as compared to two that did in the prior season. As the table on p. 15 shows, many institutions were largely unsupportive of these proposals. In the few instances where institutions such as Vanguard, State Street and Northern Trust were supportive, their decisions often did not align with one another or with the institutions that tended to be more supportive, like Wellington and T.Rowe Price. Notably, none of the investors reviewed supported the independent chair proposal at CVS or Cardinal Health, both of which had independent chairs in place. The average support for these proposals decreased slightly during 2021, with 32.5% average support as compared to 34.5% in 2020.

A review of N-PX filings shows that, on average, support for independent chair shareholder proposals from BlackRock, State Street and Vanguard remained low and has decreased slightly from last year. Notably, BlackRock supported zero proposals at companies in the S&P 1500 this year. All three institutional investors generally support the designation of a lead independent director when the roles of chairman and CEO are combined. Among additional investors reviewed, Dimensional Fund Advisors supported no such proposals, while Northern Trust supported only one of the 34 proposals that went to a vote in 2021. By contrast, Wellington Management Company voted in favor of almost three out of every four proposals.

The independent chair proposal that attracted the most support from the investors reviewed in the table on p. 15 was at Oracle Corporation, where five of the investors reviewed voted in favor. Although the roles of chair and CEO at Oracle's board are currently filled by separate individuals, Mr. Ellison, the Company's founder and current Chief Technology Officer, serves as the chairman. The ongoing concerns regarding the Company's compensation practices may have contributed to investors' support for the proposal.

The average support for independent chair proposals decreased slightly during 2021, with 32.5% average support as compared to 34.5% in 2020.

SECTION 2 | SHAREHOLDER PROPOSALS

INSTITUTIONAL INVESTOR VOTING DECISIONS, INDEPENDENT CHAIR PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	BLACKROCK	VANGUARD GROUP	SSGA FUNDS MANAGEMENT (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS	GOLDMAN SACHS ASSET MANAGEMENT LP	WELLINGTON MANAGEMENT COMPANY	T. ROWE PRICE ASSOCIATES	GEODE CAPITAL MANAGEMENT	FIDELITY MANAGEMENT & RESEARCH CO. (FMR)
ABBOTT LABORATORIES	ABT	33.7	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
ABBVIE INC.	ABBV	27.1	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
AMAZON.COM INC.	AMZN	14.9	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
AMERISOURCEBERGEN CORPORATION (HOLDING CO)	ABC	32.2	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
APPLIED MATERIALS INC.	AMAT	32.2	▼	▼	▼	▼	▼	▼	▼	■	▼	▼
BAXTER INTERNATIONAL INC.	BAX	27.5	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
BRISTOL-MYERS SQUIBB COMPANY	BMJ	44.4	▼	▼	▼	▼	▼	▼	●	●	▼	▼
CARDINAL HEALTH INC.	CAH	42.2	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
CHARTER COMMUNICATIONS INC.	CHTR	24.8	▼	▼	●	▼	▼	▼	●	▼	▼	▼
CHEVRON CORPORATION	CVX	29.5	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
CISCO SYSTEMS INC.	CSCO	32.6	▼	▼	▼	▼	▼	▼	●	■	▼	▼
CITIGROUP INC.	C	18.3	▼	▼	▼	▼	▼	▼		●	●	▼
COLGATE-PALMOLIVE COMPANY	CL	47.6	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
CVS HEALTH CORP	CVS	24.7	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
DOMINION ENERGY INC	D	43.2	▼	▼	▼	▼	▼	▼	▼	●	▼	▼
DUKE ENERGY CORPORATION	DUK	34.8	▼	▼	▼	▼	▼	●	▼	■	●	▼
ELI LILLY AND COMPANY	LLY	36.3	▼	▼	▼	▼	▼	▼	●	●	▼	▼
EXXON MOBIL CORPORATION	XOM	23.0	▼	▼	▼	●	▼	▼	●	●	▼	▼
FACEBOOK INC.	FB	16.1	▼	▼	●	▼	▼	●	■	▼	●	▼
GENERAL ELECTRIC COMPANY	GE	29.8	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
GILEAD SCIENCES INC.	GILD	34.5	▼	▼	▼	▼	▼	▼	●	▼	▼	▼

SECTION 2 | SHAREHOLDER PROPOSALS

INSTITUTIONAL INVESTOR VOTING DECISIONS, INDEPENDENT CHAIR PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

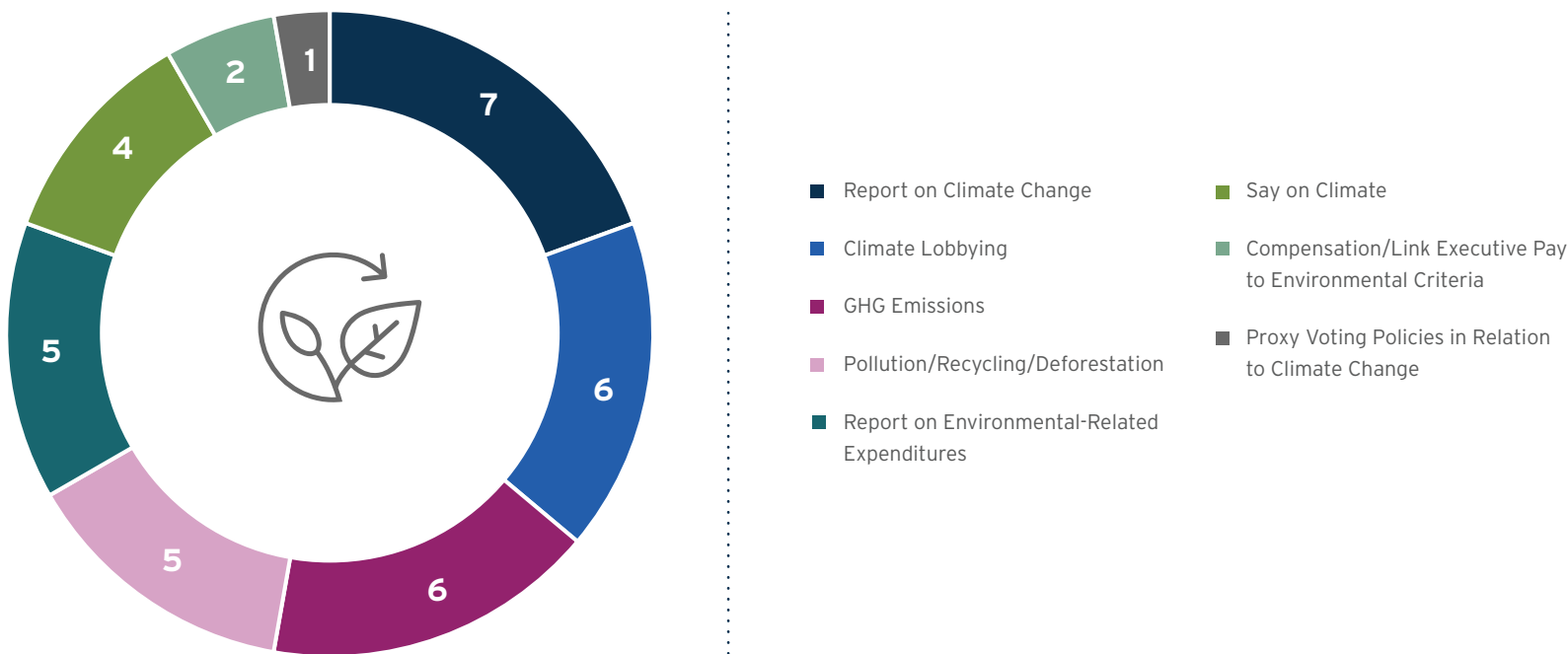
ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	BLACKROCK	VANGUARD GROUP	SSGA FUNDS MANAGEMENT (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS	GOLDMAN SACHS ASSET MANAGEMENT LP	WELLINGTON MANAGEMENT COMPANY	T. ROWE PRICE ASSOCIATES	GEODE CAPITAL MANAGEMENT	FIDELITY MANAGEMENT & RESEARCH CO. (FMR)
GREENBRIER COMPANIES INC. (THE)	GBX	33.7	▼	▼	▼	▼	▼	▼		●	▼	
GREENHILL & CO. INC.	GHL	38.1	▼	▼	▼	▼	▼	▼	●	●	▼	
HOWMET AEROSPACE INC.	HWM	28.8	▼	▼	▼	▼	▼	▼		▼	▼	▼
INTERNATIONAL BUSINESS MACHINES CORPORATION (IBM)	IBM	41.9	▼	▼	▼	▼	▼	▼	●	●	▼	▼
JOHNSON & JOHNSON	JNJ	43.4	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
JP MORGAN CHASE & CO	JPM	47.6	▼	▼	▼	▼	▼	▼	●	■	▼	▼
ORACLE CORPORATION	ORCL	35.3	▼	●	●	▼	▼	●	●	●	▼	▼
PFIZER INC.	PFE	37.3	▼	▼	▼	▼	▼	▼	●	▼	▼	▼
PPG INDUSTRIES INC.	PPG	32.3	▼	▼	▼	▼	▼	▼	●	■	▼	▼
PRUDENTIAL FINANCIAL INC.	PRU	38.1	▼	▼	▼	▼	▼	▼	●	●	▼	▼
VALLEY NATIONAL BANCORP	VLY	27.1	▼	▼	▼	▼	▼	▼		▼	▼	
WALGREENS BOOTS ALLIANCE INC	WBA	14.9	▼	▼	▼	▼	▼	▼	●	●	▼	▼
XPO LOGISTICS INC.	XPO	32.2	▼	▼	●	▼	▼	▼		●	▼	▼

SECTION 2 | SHAREHOLDER PROPOSALS

Environmental Proposals

Climate change was the prevailing theme across the vast majority of the 36 environmental proposals that reached a vote during the 2021 season.

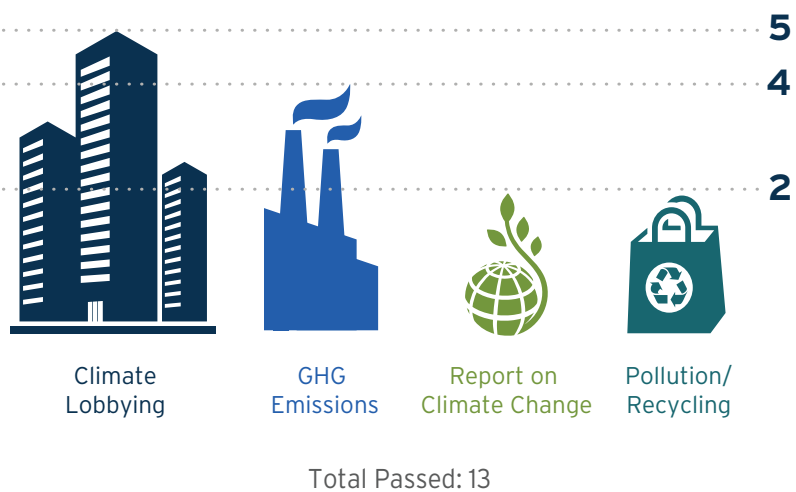
S&P 1500 ENVIRONMENTAL PROPOSALS VOTED BY TYPE, 2021



SECTION 2 | SHAREHOLDER PROPOSALS

13 of the 36 environmental shareholder proposals that reached a vote passed. That equates to a passage rate of over 36% and is more than double the number that passed in the 2020 proxy season (5 proposals).

S&P 1500 ENVIRONMENTAL PROPOSALS VOTED THAT PASSED, 2021



Beyond the record-breaking volume of environmental proposals that passed this season, the level of support received is also unprecedented. As previously discussed, average support for environmental proposals increased notably and if we exclude the six environmental proposals associated with the pro-coal activist group Burn More Coal, average support for environmental proposals increased to 47%.¹² Further excluding the two proposals seeking to link executive pay to environmental criteria, which received relatively low shareholder support, average support further increases to 49%. Many companies have already adopted ESG-related metrics, primarily within their short-term incentive programs. In general, investors tend to focus on the structure of executive compensation programs but avoid asserting prescriptive direction regarding specific metrics, which they believe are the purview of the compensation committee. Therefore, these proposals have not gained significant traction.

¹² Stephen Milloy, co-lead of Burn More Coal, is the proponent of five of these proposals and presumed to be the proponent behind the 6th “unknown” proposal

SECTION 2 | SHAREHOLDER PROPOSALS

The proposals voted upon at Dupont and Bloomin' Brands particularly demonstrate the monumental shift we saw in investors' support of environmental topics this season. At Dupont, the proposal regarding plastic pollution received greater than 81% support, the highest level we are aware of for such a proposal. By contrast, a nearly identical proposal at Dupont received only 6% support in 2019. At Bloomin' Brands, the proposal regarding emissions within the company's supply chain received approximately 26% support in 2020, while a related, but broader, proposal this year received over 75% support. Further, this season several companies recommended that shareholders vote in favor of E&S shareholder proposals on their ballots, leading to near unanimous (and record high) support for the shareholder proposal regarding GHG emissions reduction goals at General Electric. While such practice is not unheard of, it is atypical and we do not recall seeing multiple instances of management support in the context of E&S proposals in prior seasons.

Prior to this season, the non-profit Ceres had recorded only three climate-related shareholder proposals ever receiving majority support at US oil majors.¹³ That number has now almost tripled, with five proposals at four oil majors having received majority support in 2021. All four companies are among those targeted by the Climate Action 100+ investor initiative focused on climate change, which continued to gain momentum this proxy season. Notably, State Street became a Climate Action 100+ signatory in November 2020.¹⁴ BlackRock, which became a Climate Action 100+ signatory in January 2020, historically has been criticized for its lack of support for climate-related shareholder proposals.¹⁵

Among the investors' specific voting decisions we examined, we saw several instances of increased willingness to support climate-focused proposals – see p. 20. For example, BlackRock markedly shifted its voting practices this season, in line with revisions to its voting guidelines indicating its intention to increasingly support shareholder proposals addressing material ESG issues. Looking at all environmental proposals voted upon during the 2021 proxy season, BlackRock's most recent global stewardship reporting discloses support for 64% of such proposals.¹⁶ Our review of its voting on the 36 environmental proposals in the 2021 season indicated approximately 50% support compared to approximately 13% for such proposals in 2020. Similarly, Vanguard's recently released stewardship report indicates support globally for 37% of environmental proposals, and 43% of climate related proposals.¹⁷ At US company meetings, Vanguard supported approximately 47% of proposals voted upon, compared to 21% of such proposals in 2020. Remarkably, however, notwithstanding the marked shifts in support seen at Vanguard and BlackRock, they continued to be among the institutions more likely to vote in accordance with managements' recommendations. We found that Northern Trust, Alliance Bernstein and Norges Bank were the most supportive of the institutions we examined across the climate-focused proposals itemized on p. 20. A significant number of split votes also occurred at Invesco, Capital Group and Dimensional, underscoring the importance of engaging with investors on these issues.

¹³ See Why This Proxy Season Is A Record Breaker For Climate Proposals (forbes.com)

¹⁴ <https://www.ssga.com/us/en/institutional/cash/insights/why-were-joining-climate-action-100> BlackRock Climate Action January 2020 statement

¹⁵ See <https://www.ceres.org/news-center/press-releases/blackrock-joins-climate-action-100-ensure-largest-corporate-emitters-act>

¹⁶ BlackRock's report is available at <https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf>

¹⁷ Vanguard's stewardship report covers voting for January 1 – June 30, 2021 and is available at https://about.vanguard.com/investment-stewardship/perspectives-and-commentary/inv_stew_2021_semiannual_report.pdf.

SECTION 2 | SHAREHOLDER PROPOSALS

INSTITUTIONAL INVESTOR VOTING DECISIONS, ENVIRONMENTAL PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	RESOLUTION TEXT	BLACKROCK	VANGUARD GROUP	SSGA FUNDS MANAGEMENT (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS	WELLINGTON MANAGEMENT COMPANY	INVESTCO ADVISERS	CAPITAL GROUP	T. ROWE PRICE ASSOCIATES	GEODE CAPITAL MANAGEMENT	FIDELITY MANAGEMENT & RESEARCH	ALLIANCE BERNSTEIN LP	NEUBERGER BERMAN LLC	NORGES BANK INVESTMENT MANAGEMENT
ALLIANT ENERGY CORPORATION	LNT	3.8	REPORT ON COSTS AND BENEFITS OF VOLUNTARY CLIMATE-RELATED ACTIVITIES	▼	▼	▼	▼	▼	▼	▼		▼	▼	▼	▼	▼	
AMAZON.COM INC.	AMZN	35.5	REPORT ON THE IMPACTS OF PLASTIC PACKAGING	▼	▼	●	▼	■	●	■	■	▼	▼	●	▼	■	●
BERKSHIRE HATHAWAY INC.	BRK.B	28.0	REPORT ON CLIMATE-RELATED RISKS AND OPPORTUNITIES	●	●	●	●	■	●	●	■	▼	●	●	●	●	●
BLOOMIN' BRANDS INC.	BLMN	76.2	REPORT ON CLIMATE CHANGE	●	●	●	●	■	▼	●		●	▼		●		●
BOOKING HOLDINGS INC.	BKNG	56.2	REPORT ON ANNUAL CLIMATE TRANSITION	▼	▼	●	▼	■	●	■	■	▼	●	●	●	●	●
BOOKING HOLDINGS INC.	BKNG	34.1	ANNUAL INVESTOR ADVISORY VOTE ON CLIMATE PLAN	▼	▼	▼	▼	■	▼	■	■	◆	●	●	▼	▼	▼
CATERPILLAR INC.	CAT	47.4	REPORT ON CLIMATE POLICY	▼	▼	●	●	■	●	■		●	●	▼	●	●	●
CHARTER COMMUNICATIONS INC.	CHTR	39.0	REPORT ON GREENHOUSE GAS EMISSIONS DISCLOSURE	●	●	◆	▼	■	●	●	●	◆	●	●	●		▼
CHEVRON CORPORATION	CVX	47.8	REPORT ON IMPACTS OF NET ZERO 2050 SCENARIO	▼	▼	▼	●	■	●	■	●	▼	●	●	●	●	▼
CHEVRON CORPORATION	CVX	60.7	REDUCE SCOPE 3 EMISSIONS	●	●	●	●	■	●	■	▼	●	▼	▼	●	▼	●
CMS ENERGY CORPORATION	CMS	1.7	REPORT ON GREENWASHING AUDIT	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
CONOCOPHILLIPS	COP	58.6	EMISSION REDUCTION TARGETS	■	●	▼	●	▼	●	■	■	▼	▼	▼	●	▼	
DELTA AIR LINES INC.	DAL	62.7	REPORT ON CLIMATE LOBBYING	▼	●	●	●	■		●	▼	●	●	▼	●	●	●
DTE ENERGY COMPANY	DTE	2.4	REPORT ON GREENWASHING AUDIT	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼		▼	▼	
DUPONT DE NEMOURS, INC.	DD	81.2	REPORT ON PLASTIC POLLUTION	●	●	●	●	■		●	●	●	●	●	●	▼	●
EXXON MOBIL CORPORATION	XOM	49.4	REPORT ON THE EFFECT OF REDUCTION OF FOSSIL DEMAND IN FINANCIAL POSITION AND UNDERLYING ASSUMPTIONS	●	▼	●	●	▼	●	▼	●	●	●	●	●	●	▼
EXXON MOBIL CORPORATION	XOM	5.3	REPORT ON COSTS & BENEFITS OF ENVIRONMENTAL-RELATED EXPENDITURES	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
EXXON MOBIL CORPORATION	XOM	64.2	REPORT ON CLIMATE LOBBYING	●	●	●	●	▼	●	■	●	●	●	▼	●	●	●
GENERAL ELECTRIC COMPANY	GE	98.0	REPORT ON MEETING THE CRITERIA OF THE NET ZERO INDICATOR	●	●	●	●	●	●	●	■	●	●	●	●	●	●
GENERAL MOTORS COMPANY	GM	15.7	REPORT ON GHG EMISSIONS TARGETS AS A PERFORMANCE ELEMENT OF EXECUTIVE COMPENSATION	▼	▼	◆	▼	▼	●	▼	▼	▼	▼	▼	▼	▼	▼
KROGER COMPANY (THE)	KR	45.6	ASSESS ENVIRONMENTAL IMPACT OF NON-RECYCLABLE PACKAGING	●	▼	▼	▼	■	●	●	▼	▼	▼	▼	●	▼	●
MONSTER BEVERAGE CORPORATION	MNST	7.0	SHAREHOLDER PROPOSAL REGARDING BYLAW AMENDMENT FOR ANNUAL PROXY VOTE AND REPORT ON CLIMATE CHANGE	▼	▼	▼	▼	▼	▼	▼	●	◆	▼	▼	▼	▼	▼

SECTION 2 | SHAREHOLDER PROPOSALS

INSTITUTIONAL INVESTOR VOTING DECISIONS, ENVIRONMENTAL PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	RESOLUTION TEXT	BLACKROCK	VANGUARD GROUP	SSGA FUNDS MANAGEMENT (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS	WELLINGTON MANAGEMENT COMPANY	INVESCO ADVISERS	CAPITAL GROUP	T. ROWE PRICE ASSOCIATES	GEODE CAPITAL MANAGEMENT	FIDELITY MANAGEMENT & RESEARCH	ALLIANCE BERNSTEIN LP	NEUBERGER BERMAN LLC	NORGES BANK INVESTMENT MANAGEMENT
NORFOLK SOUTHERN CORPORATION	NSC	76.4	REPORT ON LOBBYING PAYMENTS AND POLICY WITH THE PARIS AGREEMENT	▼	●	●	●	■		●	●	●	●	▼	●	●	●
PHILLIPS 66	PSX	79.4	ADOPT GHG EMISSIONS REDUCTION TARGETS	●	●	●	●	■	●	●		●	●	●	●	●	●
PHILLIPS 66	PSX	62.0	REPORT ON CLIMATE LOBBYING	●	▼	●	●	■	●	■		●	●	▼	●	●	●
PILGRIM'S PRIDE CORPORATION	PPC	11.0	SHAREHOLDER PROPOSAL REGARDING REPORT ON REDUCTION OF WATER POLLUTION	●	▼	●	●	■	●			●	●		●		●
PNM RESOURCES INC. (HOLDING CO.)	PNM	1.4	REPORT ON COSTS AND BENEFITS OF VOLUNTARY CLIMATE-RELATED ACTIVITIES	▼	▼	▼	▼	▼				▼	▼		▼	◆	
PROCTER & GAMBLE COMPANY (THE)	PG	67.7	REPORT ON EFFORTS TO ELIMINATE DEFORESTATION	●	●	●	●	■	●	■	■	●	▼	▼	●	▼	●
REPUBLIC SERVICES, INC.	RSG	14.2	REPORT ON INTEGRATING ESG METRICS INTO EXECUTIVE COMPENSATION PROGRAM		▼	▼	▼	▼	▼	▼	▼	▼	▼		●		▼
SEMPRA ENERGY	SRE	37.5	REPORT ON LOBBYING PAYMENTS AND POLICY WITH THE PARIS AGREEMENT	▼	▼	▼	▼	■	▼	■	■	▼	▼	▼	●	●	●
T. ROWE PRICE GROUP INC.	TROW	16.8	REPORT ON AND ASSESS PROXY VOTING POLICIES IN RELATION TO CLIMATE CHANGE POSITION	▼	▼	▼	●	▼		▼		◆	▼	▼	▼	▼	▼
UNION PACIFIC CORPORATION	UNP	31.6	REPORT ON ANNUAL EMISSIONS REDUCTION PLAN	●	▼	▼	●	▼	▼	▼	●	◆	▼	●	▼	▼	▼
UNITED AIRLINES HOLDINGS, INC.	UAL	65.0	REPORT ON GLOBAL WARMING-RELATED LOBBYING ACTIVITIES	●	●	●	●	▼		●	▼	●	●	▼	●	●	●
UNITED PARCEL SERVICE INC.	UPS	36.0	REPORT ON CLIMATE CHANGE	●	●	●	●	■	●	■	■	●	●	●	●	●	●
WALMART INC	WMT	5.5	REPORT ON REFRIGERANTS RELEASED FROM OPERATIONS	▼	▼	▼	●	▼	▼	▼	▼	●	▼	▼	▼	▼	▼
XCEL ENERGY INC.	XEL	3.5	REPORT ON COSTS AND BENEFITS OF CLIMATE-RELATED ACTIVITIES	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼		

SECTION 2 | SHAREHOLDER PROPOSALS

In addition to majority supported proposals, significant corporate activity surrounding climate change during the 2021 proxy season took place outside of the four corners of a proxy ballot. A review of withdrawn proposals shows 72 environmentally-focused measures were withdrawn during the year. Presumably, the company and the proponent reached an agreement on the subject matter of the proposal, an increase from 2020 (41).

While no “say on climate” shareholder proposals received majority support this season, this new category of proposals is relevant to the 2021 proxy season narrative. TCI Fund Management (TCI), a UK-based hedge fund, has spearheaded this campaign globally, with As You Sow also filing resolutions within the US. Similar to say-on-pay proposals, say on climate proposals request that the target company provide shareholders with the opportunity to approve or disapprove of the company’s publicly available climate policies and strategies. Unlike many traditional shareholder proponents, who tend to own small stakes in the companies at which they present resolutions, TCI generally owned significant stakes in the companies at which it presented proposals in the 2021 proxy season, likely providing it with increased influence and access to management. At both Moody’s and S&P Global, the companies moved to support TCI’s campaign, in each case presenting management-sponsored resolutions that asked shareholders to approve the company’s climate transition plan, which received support of 93.3% and 99.5% of shareholders, respectively. Notably, the proposals at both Moody’s and S&P Global committed to presenting advisory votes at the company’s 2022 AGM, but did not speak to future meetings. That construct was likely positively viewed by investors, given some of the concerns expressed regarding shareholder-sponsored say on climate proposals discussed below.

Unlike the management-sponsored proposals at Moody’s and S&P Global, which extended only through 2022, say on climate shareholder resolutions requested ongoing future annual advisory votes on companies’ emission reduction plans.

Interestingly, there was no consistency across the proposals submitted to companies. Some of the proposals, such as those at Charter Communications and Union Pacific Corp, requested future advisory votes on a climate action plan that explicitly included an emissions reduction strategy. Others, like those at Monster Beverage and Booking Holdings, requested a future advisory vote approving the companies’ climate policies and strategies. While those proposals referenced consideration of the company’s alignment with climate-related benchmarks, they did not explicitly reference emissions reduction targets. Furthermore, the proposal at Monster Beverage sought an amendment to the company’s bylaws to implement the advisory vote, which was likely a significant factor in investors’ low support for the proposal.

Across the companies where shareholder-sponsored say on climate resolutions were voted upon, the companies highlighted efforts in place to reduce emissions and other environmental impacts, and/or existing or forthcoming ESG reporting and emissions targets. Notably, the proposal at Union Pacific Corp, the only proposal recipient to have already set scope 1 and 2 emissions reduction targets, received lower shareholder support (and “Against” recommendations from both proxy advisory firms) than did the proposal at Charter Communications, where the company had committed to set ESG targets, but had not yet disclosed specific GHG reduction target plans.

While no shareholder-sponsored say on climate proposal received majority support, three voted upon received support in excess of 30%, a level at which responsiveness is generally expected. Importantly, in light of investor concerns expressed regarding the advisory vote construct of these proposals, proponents have indicated that for 2022 they have dropped the “say on” element of these proposals in the US and instead are seeking annual reporting regarding companies’ climate transition plans. Accordingly, the three “net zero benchmark” proposals submitted by As You Sow during 2021, which received 48%, 49% and 98% respectively, are instructive as we look to the 2022 proxy season.¹⁸

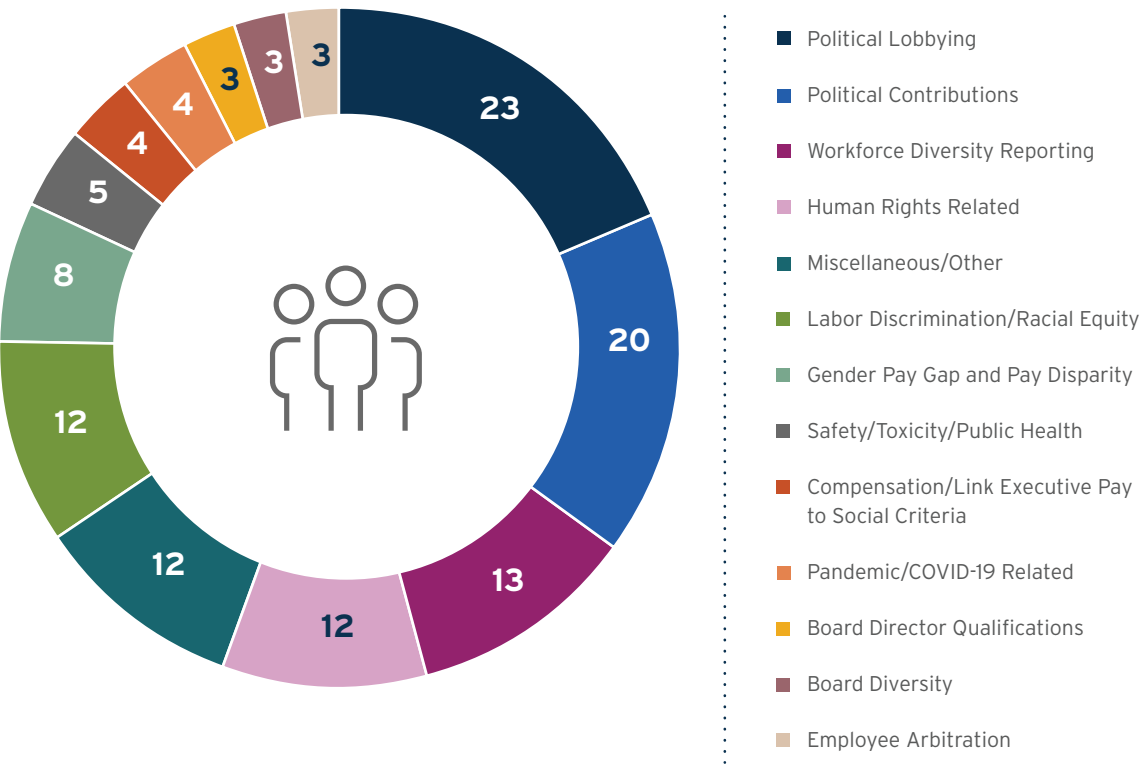
¹⁸ The management supported proposal at General Electric previously noted also sought to assess the company’s responsiveness to Climate Action 100+’s net zero benchmark

SECTION 2 | SHAREHOLDER PROPOSALS

Social Proposals

122 socially-focused shareholder proposals went to a vote during 2021. Proposals relating to political spending accounted for almost 35% of such measures, and proposals relating to workforce diversity, racial equity and human rights each accounted for approximately 10% of proposals voted.

S&P 1500 SOCIAL PROPOSALS VOTED BY TYPE, 2021



2021 PASSING SOCIAL PROPOSALS, S&P 1500



SECTION 2 | SHAREHOLDER PROPOSALS

Twenty social proposals passed in the 2021 season, and consistent with those voted on, the majority that passed related to political spending and diversity-related matters.

S&P 1500 BREAKOUT OF EEO/DE&I/EMPLOYMENT DIVERSITY REPORTING



The most notable workforce diversity-focused campaign of the 2021 season was spearheaded by the New York City Comptroller's Office and occurred primarily outside of the proxy voting process. As widespread civil unrest during the summer of 2020 focused corporations' attention on efforts to combat systemic racism, many company CEOs issued statements in support of racial equality or affirming corporate

commitments to diversity, equity and inclusion initiatives. In 2020, the Comptroller launched a letter writing campaign to CEOs at 67 of those companies within the S&P 100, seeking public disclosure of each company's EEO-1 Report data. The Comptroller withdrew a majority of its proposals prior to reaching a vote, having reached agreements with the target companies to disclose their EEO-1 data. A handful of other proponents also submitted EEO-1 proposals this season, including Calvert Research & Management and Trillium Asset Management. Ultimately, only three of these proposals reached a vote, two of which passed.

Heading into the 2021 proxy season, the Comptroller's Office reported 31 public companies that disclosed their EEO-1 reports, of which 14 were in the S&P 100.¹⁹ Accordingly, between proposal withdrawals and majority-supported proposals, EEO-1 disclosure transitioned from a minority to majority practice within the S&P 100 within the proxy season.²⁰

Looking at workforce diversity-focused shareholder proposals in general, this is a topic where we have seen exponential growth in submissions over the past few seasons, from only 15 proposals in the 2019 season to 90 such proposals in 2021. Likewise, average support for these proposals increased dramatically, from approximately 35% in 2020 to over 55% in 2021.

WORKFORCE DIVERSITY PROPOSALS

	2019	2020	2021
Not in Proxy	1	12	1
Not Presented	0	0	0
Omitted	0	4	14
Withdrawn	7	8	62
Voted	7	12	13
Totals	15	36	90
Voted – Passed	2	4	6
Voted – Failed	5	8	7
Voted – Avg SH Support	38.4%	35.2%	55.2%

The snapshot of investors' voting decisions on p. 25 further illustrates the uptick in support observed year over year. With the exception of Dimensional – who was the least supportive of workforce diversity proposals among the investors examined – all investors reviewed supported a majority of the proposals upon which they voted. However, it is notable given State Street's vocal focus on diversity matters that it was the second-least supportive investor examined, after Dimensional. At the other end of the spectrum, Fidelity and Northern Trust were most supportive, in each case supporting all but one of the proposals upon which they voted.

¹⁹ See <https://comptroller.nyc.gov/newsroom/comptroller-stringer-nyc-funds-escalate-campaign-calling-on-major-companies-to-publicly-disclose-workforce-demographics/>

²⁰ See <https://www.asyousow.org/our-work/social-justice/workplace-equity>

SECTION 2 | SHAREHOLDER PROPOSALS

INSTITUTIONAL INVESTOR VOTING DECISIONS, EMPLOYMENT DIVERSITY PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	RESOLUTION TEXT	BLACKROCK	VANGUARD GROUP, INC.	SSGA FUNDS MANAGEMENT, INC. (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS, INC.	GOLDMAN SACHS ASSET MANAGEMENT LP	INVESCO ADVISERS, INC.	CAPITAL GROUP	GEODE CAPITAL MANAGEMENT	FIDELITY MANAGEMENT & RESEARCH CO. (FMR)
AMAZON.COM INC.	AMZN	18.1	REPORT ON PROMOTION DATA	▼	▼	▼	●	▼	▼	▼	■	▼	■
AMERICAN EXPRESS COMPANY	AXP	59.7	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY, EQUITY, AND INCLUSION EFFORTS	●	●	▼	●	▼	●	●		●	●
BERKSHIRE HATHAWAY INC.	BRK.B	26.8	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY AND INCLUSION EFFORTS	●	●	●	●	▼	●	●	●	●	●
CATERPILLAR INC.	CAT	33.5	REPORT ON DIVERSITY AND INCLUSION EFFORTS	●	▼	▼	●	▼	▼	▼		▼	●
CHARTER COMMUNICATIONS INC.	CHTR	41.4	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY, EQUITY, AND INCLUSION EFFORTS	●	●	●	●	▼	●	●	●	●	●
CHARTER COMMUNICATIONS INC.	CHTR	40.7	ADOPT POLICY TO ANNUALLY DISCLOSE EEO-1 DATA	●	●	●	●	▼	●	●	●	●	●
DUPONT DE NEMOURS, INC.	DD	83.8	ADOPT POLICY TO ANNUALLY DISCLOSE EEO-1 DATA	●	●	●	●	▼	●	●	●	●	●
INTERNATIONAL BUSINESS MACHINES CORPORATION (IBM)	IBM	94.3	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY, EQUITY, AND INCLUSION EFFORTS	●	●	●	●	●	●	●	●	●	●
PAYCOM SOFTWARE, INC.	PAYC	74.9	REPORT ON PLANS TO IMPROVE DIVERSITY OF EXECUTIVE LEADERSHIP	●	●	●	●	●	●	▼	●	●	●
PROCTER & GAMBLE COMPANY (THE)	PG	37.1	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY AND INCLUSION EFFORTS	▼	▼	▼	●	▼	●	■	■	▼	●
UNION PACIFIC CORPORATION	UNP	86.4	REPORT ON EEO	●	●	●	●	▼	●	●	●	●	●
UNION PACIFIC CORPORATION	UNP	81.4	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY AND INCLUSION EFFORTS	●	●	▼	●	▼	●	●	●	●	●
UNITED PARCEL SERVICE INC.	UPS	33.1	PUBLISH ANNUALLY A REPORT ASSESSING DIVERSITY AND INCLUSION EFFORTS	●	●	▼	●	●	●	■	●	●	●

Racial equity audit proposals were a notable new topic in the 2021 season. While none of these proposals received majority support, over half of those voted on received support in excess of 30%, which is notably high support for a first-time proposal. Like the EEO-1 campaign, the racial equity audit campaign also tied companies' statements expressed in support of efforts to dismantle systemic racism with actions by the companies targeted. In each case the proponents requested the company conduct a third party audit and prepare a report assessing company behavior through a racial

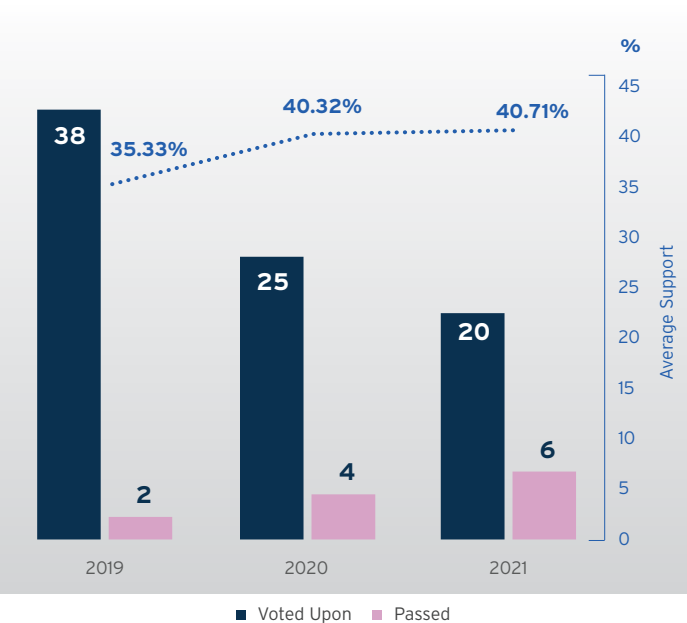
equity lens. Change to Win and the Service Employees International Union (SEIU) were primary proponents of these proposals, and largely focused on companies within the financial services industry. A handful of additional proponents, including the New York State Common Retirement Fund, Northstar Asset Management and Trillium Asset Management, filed proposals at additional companies in various industries.

SECTION 2 | SHAREHOLDER PROPOSALS

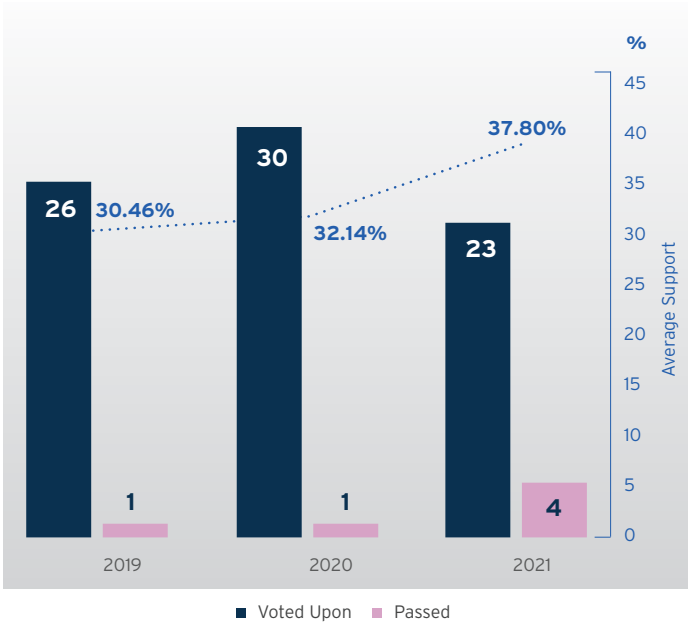
Proposals seeking reporting on political contributions and lobbying payments were also prevalent in the 2021 proxy season. 73 such proposals were filed this season, which is relatively consistent with the 70 filed during 2020. Of the 43 voted upon this year, six contributions proposals passed and four lobbying proposals passed, representing a 50% and 300% increase, respectively, compared to the number of each that passed in the 2020 season. While investor scrutiny of companies' political

contributions and lobbying activities is not new, the 2020 presidential election and subsequent events of this past January in Washington, D.C. both likely catalyzed submission of and support for these proposals in the 2021 proxy season. More broadly, investors' increased focus on ESG issues in general was also a likely factor in many instances.

S&P 1500 POLITICAL CONTRIBUTIONS PROPOSALS VOTED, 2019-2021



S&P 1500 POLITICAL LOBBYING PROPOSALS VOTED, 2019-2021



Consistent with the workforce diversity proposals examined, Dimensional was the least supportive of the investors examined with respect to political spending proposals – supporting none of the proposals voted upon – followed by Vanguard, BlackRock and State Street. BNP Paribas was the most supportive of the investors we examined, followed by Northern Trust. See p. 27 and 28.

SECTION 2 | SHAREHOLDER PROPOSALS

INSTITUTIONAL INVESTOR VOTING DECISIONS, POLITICAL LOBBYING AND CONTRIBUTIONS PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	PROPOSAL TEXT	BLACKROCK	VANGUARD GROUP	SSGA FUNDS MANAGEMENT (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS	GEODE CAPITAL MANAGEMENT	BNP PARIBAS ASSET MANAGEMENT	WELLINGTON MANAGEMENT COMPANY	INVESTCO ADVISERS	CAPITAL GROUP
ABBOTT LABORATORIES	ABT	34.0	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	▼	●	▼	▼	●
ABBVIE INC.	ABBV	35.8	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	▼	●	▼	●	●
AECOM	ACM	54.2	REPORT ON LOBBYING PAYMENTS AND POLICY	●	▼	▼	●	▼	●			●	
ALTRIA GROUP	MO	33.3	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	●	●	●	●	▼
AMAZON.COM INC.	AMZN	34.9	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	●	●	▼	●	●	●	●	▼
BIOGEN INC.	BIIB	40.9	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	●	●	▼	▼	●	▼	●	▼
BOEING COMPANY (THE)	BA	36.4	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	●		●	●	▼
BROADRIDGE FINANCIAL SOLUTIONS INC.	BR	12.9	SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTIONS AND EXPENDITURES REPORT	▼	▼	▼	●	▼	▼	●	●	●	
CHARLES SCHWAB CORP/THE	SCHW	43.9	REPORT ON LOBBYING PAYMENTS AND POLICY	●	▼	▼	●	▼	●	●	●	■	●
CHARTER COMMUNICATIONS INC.	CHTR	36.5	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	●	●	●	●	▼	●	●	●	●	●
CHEMED CORP.	CHE	79.3	REPORT ON POLITICAL CONTRIBUTIONS	●	●	●	●	▼	●			●	●
CHEVRON CORPORATION	CVX	47.9	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	●	●	●	■	●
CINTAS CORPORATION	CTAS	42.4	REPORT ON POLITICAL CONTRIBUTIONS DISCLOSURE	●	▼	●	●	▼	●	●	●	●	●
CITIGROUP INC.	C	23.0	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	▼	▼	▼	●		▼	▼
DAVITA INC	DVA	34.3	REPORT ON POLITICAL CONTRIBUTIONS	▼	▼	●	●	▼	●	●		●	
DOMINION ENERGY INC	D	15.6	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	▼	●	▼	▼	▼
DTE ENERGY COMPANY	DTE	21.7	REPORT ON POLITICAL CONTRIBUTIONS	▼	▼	▼	●	▼	▼	●	▼	●	▼
DUKE ENERGY CORPORATION	DUK	51.4	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	●	▼	▼	●	▼	●	●	▼	●	■
ELI LILLY AND COMPANY	LLY	48.2	REPORT ON LOBBYING PAYMENTS AND POLICY	●	●	●	●	▼	●	●	▼	●	■
EXPEDIA GROUP INC	EXPE	36.8	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	●	▼	●	●	▼	●	●	●	●	
EXXON MOBIL CORPORATION	XOM	30.3	REPORT ON POLITICAL CONTRIBUTIONS	▼	▼	▼	●	▼	●	●	●	■	●
EXXON MOBIL CORPORATION	XOM	56.1	REPORT ON LOBBYING PAYMENTS AND POLICY	●	●	▼	●	▼	●	●		■	●

SECTION 2 | SHAREHOLDER PROPOSALS

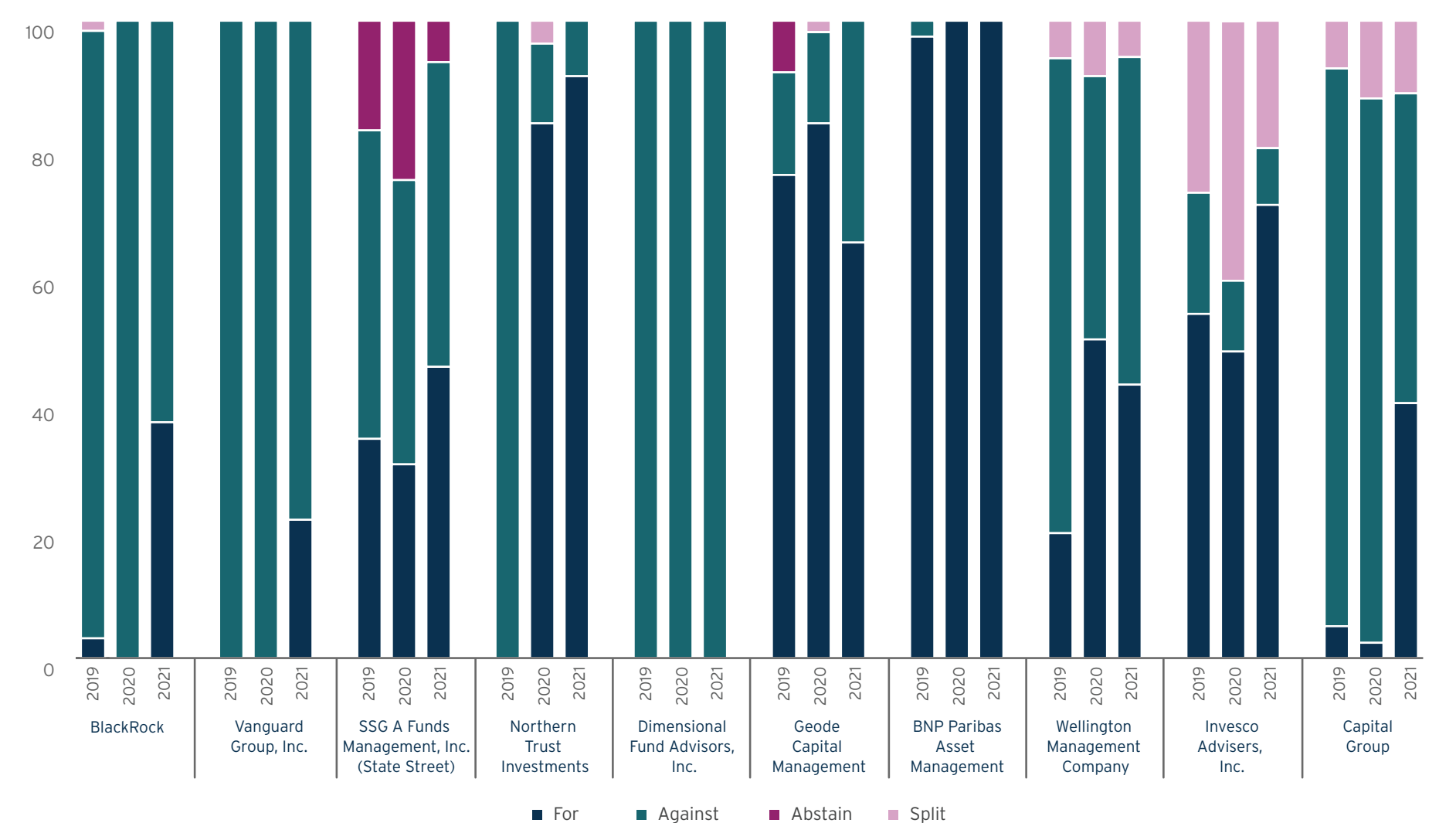
INSTITUTIONAL INVESTOR VOTING DECISIONS, POLITICAL LOBBYING AND CONTRIBUTIONS PROPOSALS, 2021

For ● Against ▼ Abstain ◆ Split ■ Did Not Vote □ % Vote Outcome **FAILED** **PASSED**

ISSUER	TICKER	% VOTE OUTCOME ACCORDING TO OUR RECORDS	PROPOSAL TEXT	BLACKROCK	VANGUARD GROUP	SSGA FUNDS MANAGEMENT (STATE STREET)	NORTHERN TRUST INVESTMENTS	DIMENSIONAL FUND ADVISORS	GEODE CAPITAL MANAGEMENT	BNP PARIBAS ASSET MANAGEMENT	WELLINGTON MANAGEMENT COMPANY	INVESTCO ADVISERS	CAPITAL GROUP
FEDEX CORPORATION	FDX	28.7	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	●	▼	▼	●	●	▼	●	▼
FEDEX CORPORATION	FDX	27.9	REPORT ON POLITICAL CONTRIBUTIONS DISCLOSURE	▼	▼	●	●	▼	●	●	▼	●	▼
FLOWERS FOODS INC.	FLO	38.1	REPORT ON POLITICAL CONTRIBUTIONS	●	▼	●	●	▼	●			●	
GEO GROUP INC (THE)	GEO	66.3	REPORT ON LOBBYING PAYMENTS AND POLICY	●	●	▼	●	▼	▼				
HOME DEPOT INC. (THE)	HD	38.0	REPORT ON POLITICAL CONTRIBUTIONS CONGRUENCY ANALYSIS	▼	▼	●	●	▼	▼	●	▼	●	■
JP MORGAN CHASE & CO	JPM	29.5	REPORT ON CONGRUENCY POLITICAL ANALYSIS AND ELECTIONEERING EXPENDITURES	▼	▼	▼	▼	▼	▼	●	▼	●	▼
LOEWS CORPORATION	L	31.3	REPORT ON POLITICAL CONTRIBUTIONS	▼	▼	●	●	▼	●	●		●	
MAXIMUS INC.	MMS	37.7	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	●			●	
MCKESSON CORPORATION	MCK	51.7	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	●	●	●	■	
NETFLIX INC.	NFLX	80.3	REPORT ON POLITICAL CONTRIBUTIONS	●	●	●	●	▼	●	●	●	●	●
NIKE INC.	NKE	34.4	REPORT ON POLITICAL CONTRIBUTIONS DISCLOSURE	▼	▼	◆	●	▼	●	●	▼	●	▼
NORTONLIFELOCK INC.	NLOK	8.7	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	▼	▼	▼	▼	▼	▼		▼	●	▼
OMNICOM GROUP INC.	OMC	51.0	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	▼	▼	●	●	▼	●	●	●	●	●
PFIZER INC.	PFE	47.2	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	●	▼	◆	●	▼	▼	●	▼	●	■
ROYAL CARIBBEAN GROUP	RCL	52.9	REPORT ON POLITICAL CONTRIBUTIONS DISCLOSURE	▼	▼	●	●	▼	●	●		●	●
TYSON FOODS INC.	TSN	17.9	REPORT ON LOBBYING PAYMENTS AND POLICY	●	●	◆	●	▼	●	●	●	■	
UNITED AIRLINES HOLDINGS, INC.	UAL	67.5	REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES	●	●	●	●	▼	●			●	●
UNITED PARCEL SERVICE INC.	UPS	25.4	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	●	▼	●	▼	▼	●	▼	■	▼
WALMART INC	WMT	22.1	REPORT ON LOBBYING PAYMENTS AND POLICY	●	▼	●	●	▼	●	●	●	▼	●
WALT DISNEY COMPANY	DIS	32.7	REPORT ON LOBBYING PAYMENTS AND POLICY	▼	▼	▼	●	▼	▼	●	●	■	▼
XPO LOGISTICS INC.	XPO	46.3	SHAREHOLDER PROPOSAL REGARDING LOBBYING REPORT	●	▼	●	●	▼	●	●		●	

SECTION 2 | SHAREHOLDER PROPOSALS

Historical Institutional Investor Voting Decisions, Political Lobbying and Contributions Proposals, 2019-2021



SECTION 3 | DIRECTOR ELECTIONS

The year-over-year marginal decline in average support for directors that started in 2019 continued through 2021. Average support for directors in 2021 at S&P 1500 companies was 95.7% compared to 95.9% in 2020. The average downtick in support has corresponded with the increase in the number of directors receiving less than 90% support for their (re)election. 10.4% of directors in 2021 received less than 90% vote support compared to 9.6% in 2020.

The number of director nominees that failed to receive at least 50% shareholder support increased from 19 in 2020 to 28 in 2021. However, only 6 of these 28 directors failed to get elected due to the existence of majority vote standard at their companies. The remainder 22 directors were elected because they served on boards with plurality voting standards.

Board composition, accountability/responsiveness and overboarding remained key issues for institutional investors during 2021.

Board diversity continued to be an area of focus with racial/ethnic diversity, in particular, attracting increased attention in 2021. Investors increasingly adopted voting policies to hold directors, especially nominating and/or governance committee chairs, accountable for lack of disclosure and/or progress on board diversity. According to BlackRock's 2021 proxy voting report, insufficient board gender diversity was its top reason for voting against US directors.²¹ In assessing board composition, BlackRock revised its guidelines for 2021 to explicitly note racial diversity as an element of diversity that boards should consider in identifying candidates and where BlackRock would like to see progress. Vanguard adopted a policy to generally vote against a company's nominating and/or governance committee chair (or any other director if needed) if the company's board has made insufficient progress on board diversity or board diversity-related disclosure.

State Street indicated that beginning in 2021 it would vote against the Chair of the Nominating & Governance Committee at companies in the S&P 500 that do not disclose the racial and ethnic composition of their boards.

On the issue of accountability, a variety of investors added explicit reference in their voting policies to poor risk oversight of environmental and social issues among the examples of material failure that may result in adverse votes for directors. BlackRock for example noted that the failure to adequately oversee or disclose material ESG risks is now a basis on which it will consider voting against relevant directors. In line with this policy, at Berkshire Hathaway's annual meeting, BlackRock expressed concerns over the company's board structure and succession planning generally, and specifically cited concerns "over shortfalls in the company's governance practices and climate action planning and disclosure" as driving its decision to vote against the company's former audit committee and current governance committee chairs. Neuberger Berman similarly noted practices pertaining to material ESG issues as a factor influencing its decision to vote against four of Berkshire Hathaway's directors.²²

Overboarding concerns also continued to influence director voting decisions at annual meetings. BlackRock's previous policy provided that public company CEOs serving on more than two public boards would be considered overboarded. In 2021, BlackRock extended its policy to apply to all executive directors or fund managers serving on a board, in addition to CEOs. According to the BlackRock Investment Stewardship 2020-2021 proxy voting year report, in the Americas region, BlackRock reported voting against 163 directors at 149 companies who it considered to be overcommitted. This included directors at Alphabet, the Wendy's Company, and Occidental Petroleum.

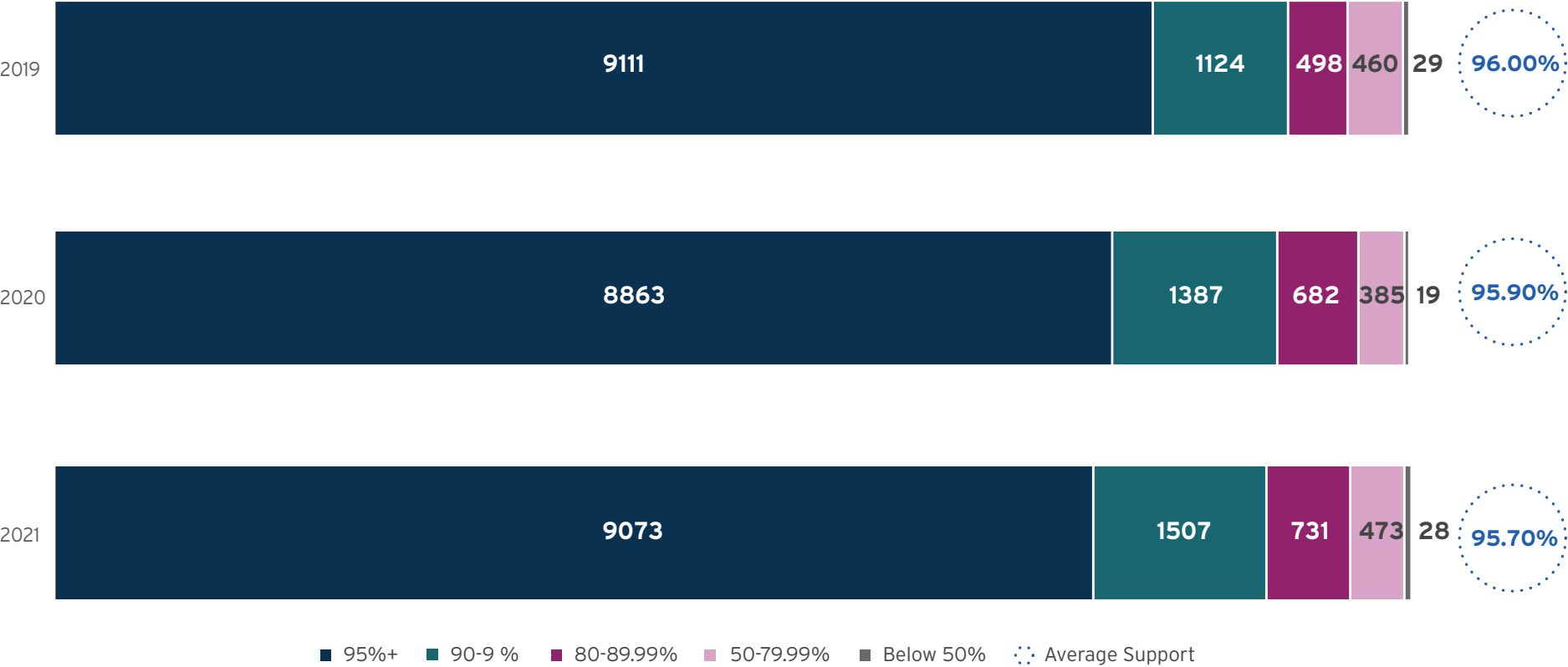
²¹ See <https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf>

²² (a) See <https://www.blackrock.com/corporate/literature/press-release/blk-vote-bulletin-berkshire-hathaway-may-2021.pdf>.

(b) Voting decisions made public as part of Neuberger Berman's NB Votes initiative are available at <https://www.nb.com/en/global/esg/nb-votes>.

SECTION 3 | DIRECTOR ELECTIONS

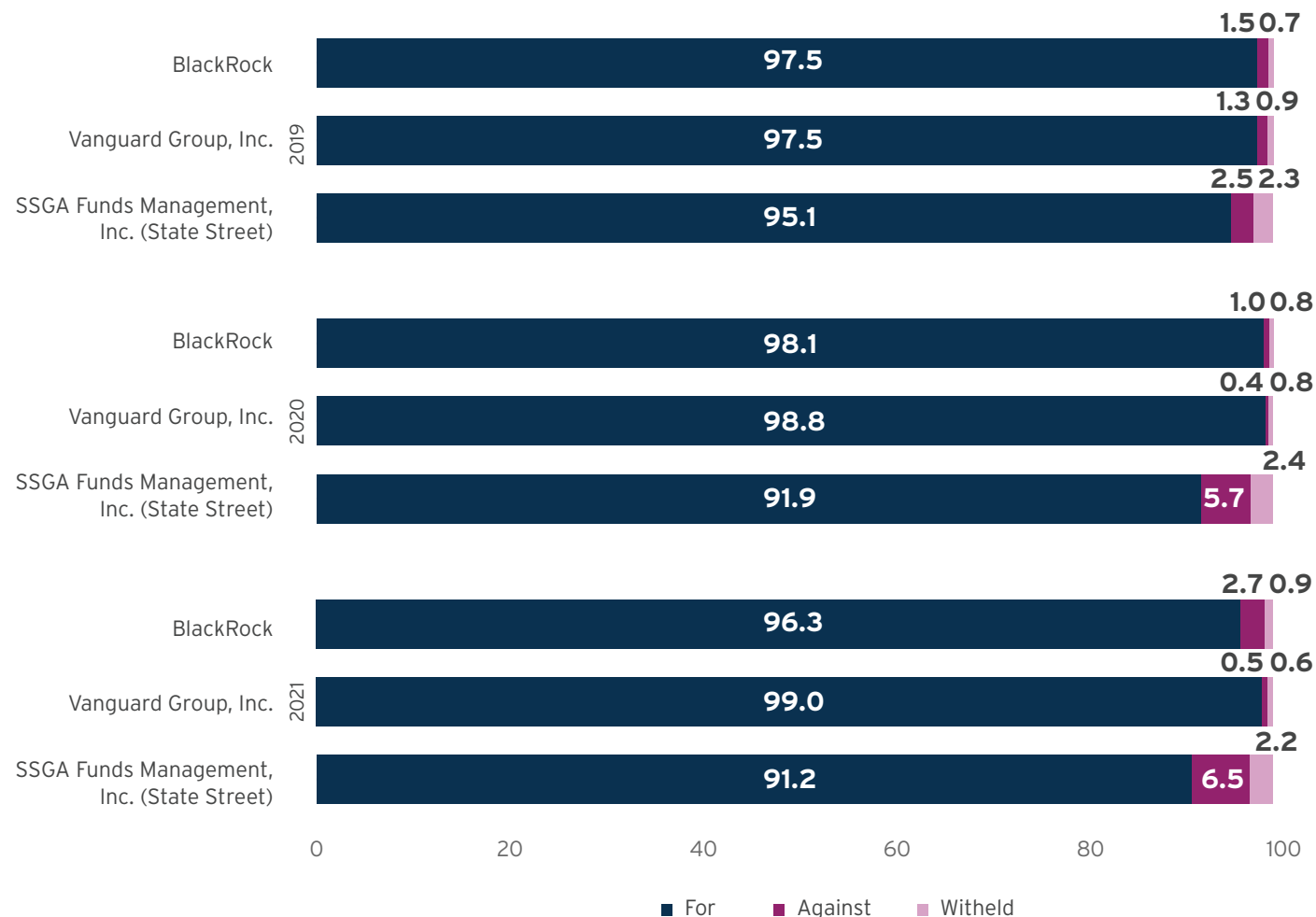
S&P 1500 – DIRECTOR ELECTIONS AND AVERAGE SUPPORT, 2019-2021



SECTION 3 | DIRECTOR ELECTIONS

In the 2021 proxy season, there was a modest decline in average support for S&P 1500 directors. Likewise, directors at S&P 500 companies attracted reduced levels of support from the big three passive investors (BlackRock, Vanguard Group and State Street). On average, these three investors supported the (re) election of 95.5% of the directors in 2021 compared to 96.3% in 2020. BlackRock, showed the largest increase in opposing director elections – voting against 2.7% of the directors in 2021 compared to 1.0% in 2020. This increase was likely attributable to changes in BlackRock's voting policies intended to hold directors accountable when, in the investor's view, the subject company board has displayed poor risk oversight of environmental and social issues. State Street continued to oppose the greatest number of directors, voting against 6.5% of total directors on which State Street submitted votes (318 directors out of the 4,868 S&P 500 directors). This figure increased from 5.7% opposition in 2020. Vanguard voted against the least number of directors, opposing approximately 0.5% of the nominees (similar to last year's figure).

S&P 500– BLACKROCK, VANGUARD, STATE STREET DIRECTOR ELECTION VOTING, 2019-2021



SECTION 4 | SAY-ON-PAY

Say-on-pay vote results for 2021 saw a marginal decline in the average support for the S&P 500 companies with approximately 89% of votes cast in favor (excluding abstentions) compared to 90% support last year. Similarly, approximately 74% of the S&P 500 companies received 90% or more shareholder support this year compared to the approximately 74% of the companies in 2020. Like last year, S&P 1500 companies fared slightly better with approximately 91% average votes cast in favor and 78% of the companies receiving greater than 90% vote support. 2021 results for the S&P 1500 companies were comparable to those in 2020 both in terms of the average support and the percentage of companies receiving greater than 90% vote support.

17 S&P 500 companies failed to receive majority support for their say-on-pay proposals in 2021, compared to ten last year. Although Phillips 66 and Prologis, Inc. received more “For” than “Against” votes cast, their say-on-pay proposal failed marginally with each getting 49.9% support as abstentions counted as votes and had the same effect as votes against. The remaining companies with a failed vote received 25% or higher support, except Norwegian Cruise Line Holdings Ltd. (NCLH) and Skyworks Solutions, Inc. (SWKS) that garnered only 16.6% and 22.2% favorable votes, respectively. Amid poor company performance, several changes that increased CEO’s pay including amendment to the annual bonus to allow for payouts at target, a discretionary cash award, two adjustments to outstanding equity grants, and an additional time-vesting restricted stock unit award likely contributed to the lack of support for the executive compensation program at NCLH. At SWKS, the likely concerns related to significant portion of LTI awards being earned based on annual performance instead of a longer period, lack of rigorous goals for performance shares, lowering of the threshold for TSR performance with limited rationale, and significant retention awards to the NEOs.

The failure rate for S&P 1500 companies overall also increased sharply to 3.3% (48 companies) in 2021 compared to 1.7% (25 companies) in 2020. The S&P 1500 companies with “red zone” vote, i.e. those receiving between 50% to 70% vote support, however, decreased from 4.4% in 2020 to 3.6% in 2021. The S&P 500 companies falling in the “red zone” decreased from 5.2% in 2020 to 4.6% in 2021.

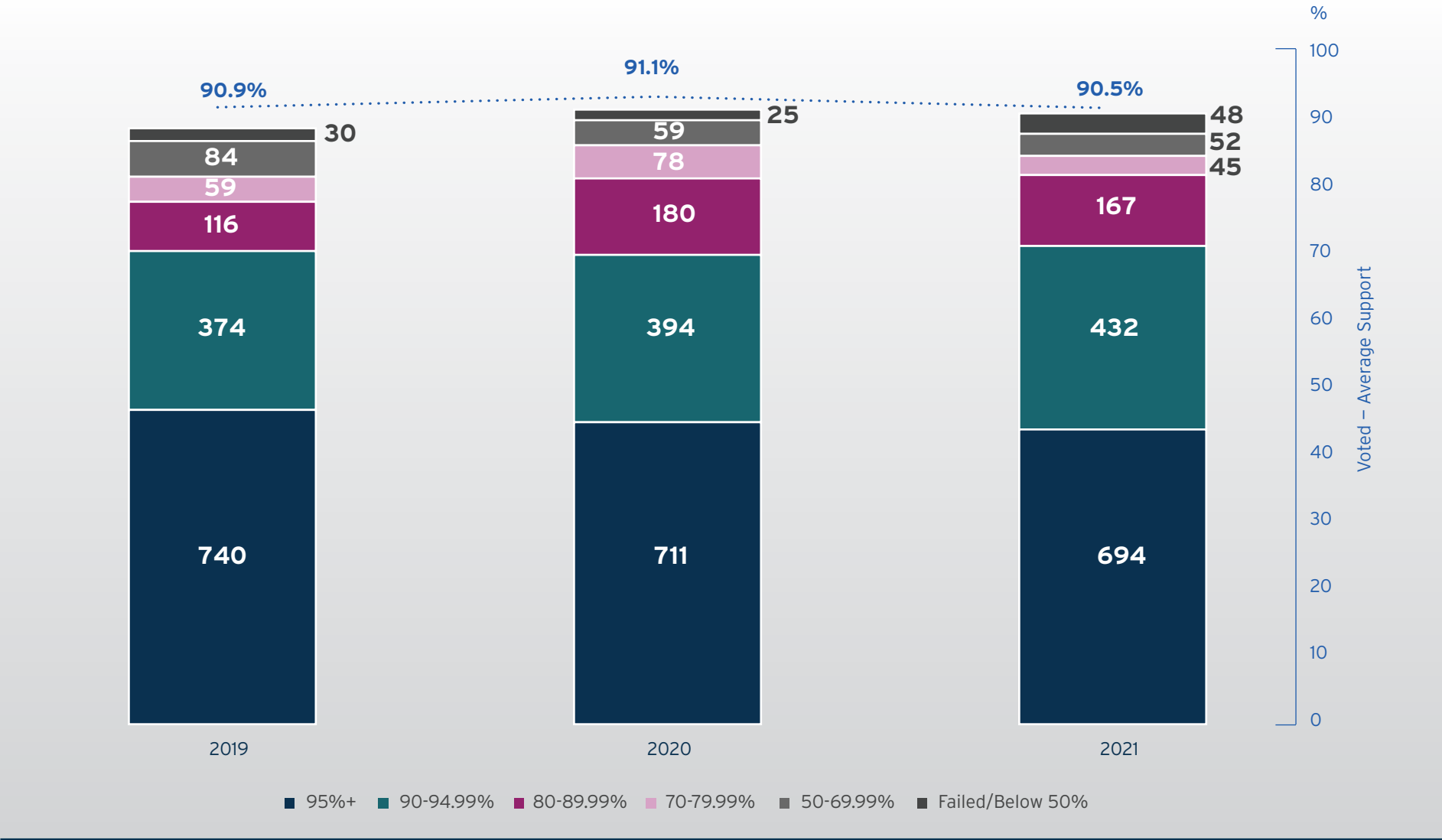
ISS recommended “Against” a lower percentage of S&P 500 companies in 2021 with 10.5% of say-on-pay proposals garnering a negative recommendation compared to 11.8% in 2020. This was in contrast to S&P 1500 companies, where ISS’s negative recommendations increased from 8.3% in 2020 to 9.5% in 2021, although still remaining at a lower level compared to the S&P 500 companies. Negative ISS vote recommendations at S&P 500 companies and S&P 1500 companies in 2021 arguably reduced shareholder support by 35.7% and 36.8% respectively, a significant jump from the already high levels last year when the impact was 28.1% and 30.7% respectively.

COVID-19 related pay adjustments and disclosure dominated the 2021 proxy year. With business uncertainty making goal-setting difficult, compensation committees often made adjustments to the annual incentive programs and the use of discretionary bonuses increased. However, it was mostly adjustments to the in-progress long-term incentive awards that were seen to be more problematic and met with investor disapproval. According to ISS, it identified concerning adjustments to in-progress long-term incentives at nearly half of the S&P 500 companies that failed to receive majority support for say-on-pay. ISS also noted prevalence of one-time awards at S&P 500 companies with failed say-on-pay proposals.²³

²³ The key insights from ISS 2021 US Compensation 2021 Proxy Season Review report can be found at <https://insights.issgovernance.com/posts/2021-united-states-compensation-2021-proxy-season-review/>

SECTION 4 | SAY-ON-PAY

S&P 1500 – SAY-ON-PAY PROPOSALS AND AVERAGE SUPPORT, 2019-2021



SECTION 5 | KEY FIGURES AND TRENDS FROM GEORGESON'S EUROPEAN SEASON REVIEW

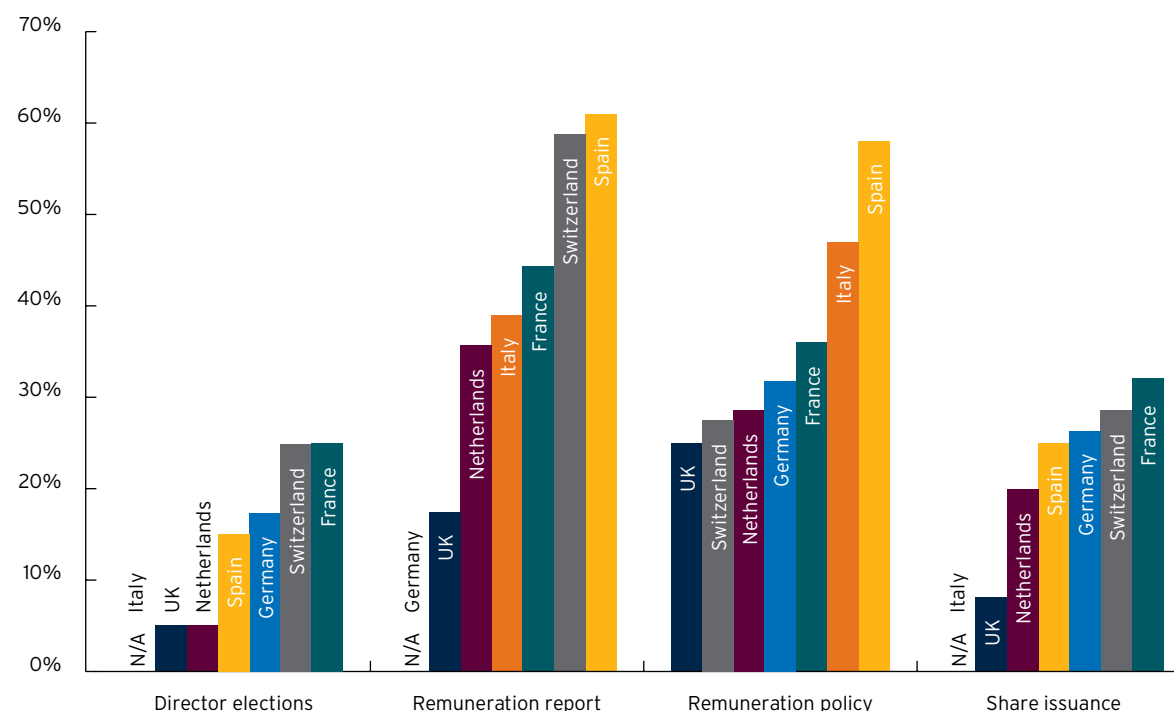
Key Takeaways

- Remuneration-related resolutions continue to represent the category of resolutions most contested across Europe. Across the seven main European markets, there was a calibrated 18% increase in contested remuneration votes from 2020.
- Director elections were an area of increased focus and negative votes. Across the seven main European markets, there was a calibrated 36.9% increase in contested director elections from 2020.
- Across the seven markets covered in this report, the UK saw the lowest proportion of contested remuneration resolutions (i.e. both remuneration policy and remuneration report votes) while Spain observed the highest level of shareholder opposition around executive remuneration.
- Germany, in line with legal changes, saw a significant increase in shareholder remuneration policy (system) votes which led to an uptick in shareholder dissent over executive remuneration.

The graph below shows the level of dissent – expressed as a percentage of contested resolutions (10+% against votes) – across four major categories of resolutions common across major European markets, namely director elections, remuneration report, remuneration policy and share issuances.

On average 15.3% of director elections, 42.7% of remuneration report resolutions, 36.2% of remuneration policy resolutions and 23.4% of share issuances resolutions were contested.

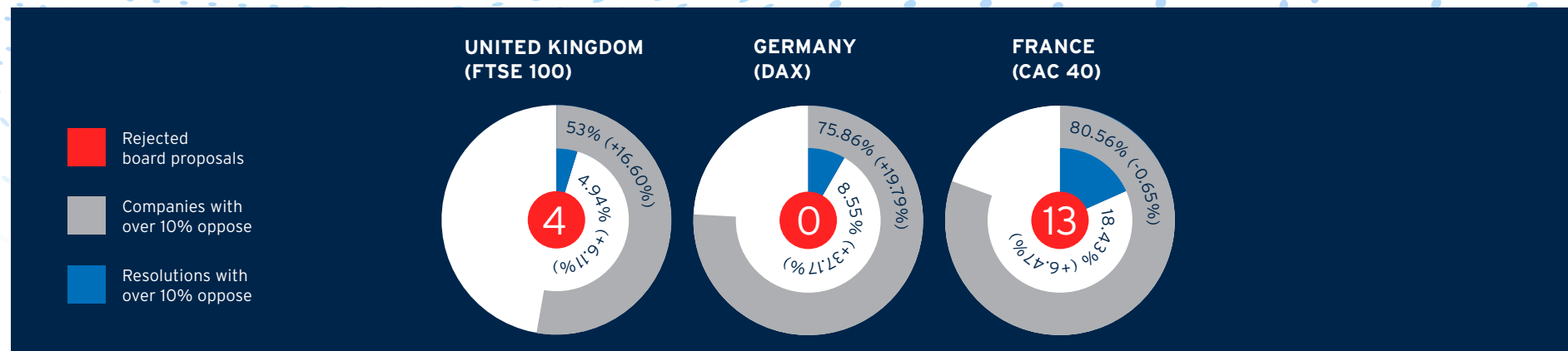
GRAPH: CONTESTED RESOLUTIONS PER CATEGORY (%)



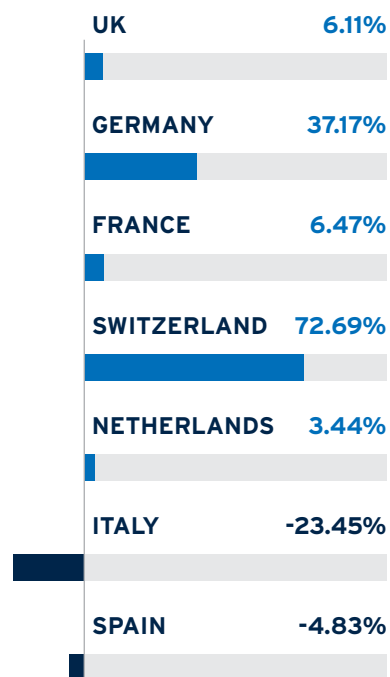
Note:

In Italy individual director elections and share issuances are not a routine matter and are therefore these categories are not applicable here. Germany has not implemented annual report votes yet and therefore this category is not applicable here.

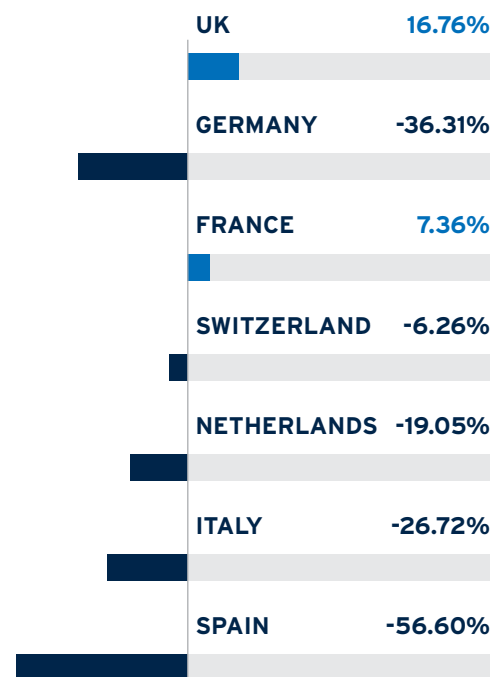
SECTION 5 | KEY FIGURES AND TRENDS FROM GEORGESON'S EUROPEAN SEASON REVIEW



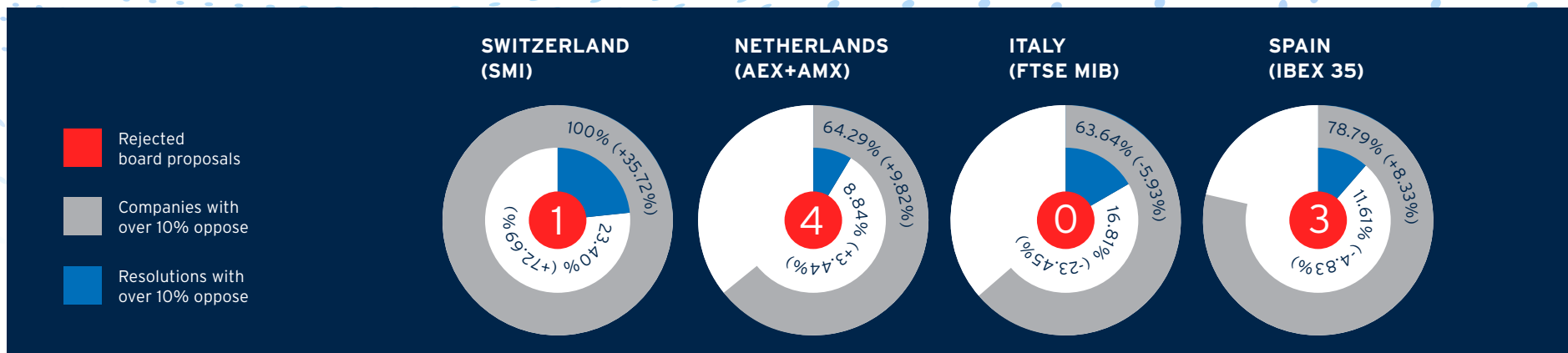
% change in number of contested resolutions (vs 2020)



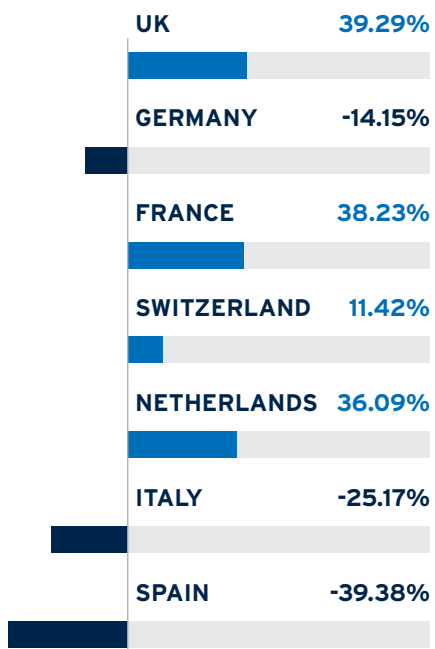
% change in number of ISS negative recommendations (vs 2020)



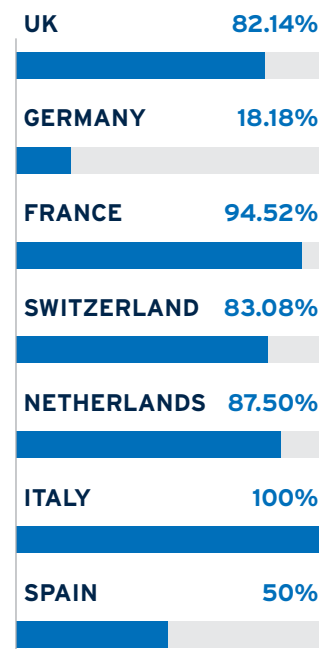
SECTION 5 | KEY FIGURES AND TRENDS FROM GEORGESON'S EUROPEAN SEASON REVIEW



% change in number of Glass Lewis negative recommendations (vs 2020)



% of resolutions with less than 80% support which had a negative ISS or Glass Lewis recommendation



SECTION 5 | KEY FIGURES AND TRENDS FROM GEORGESON'S EUROPEAN SEASON REVIEW

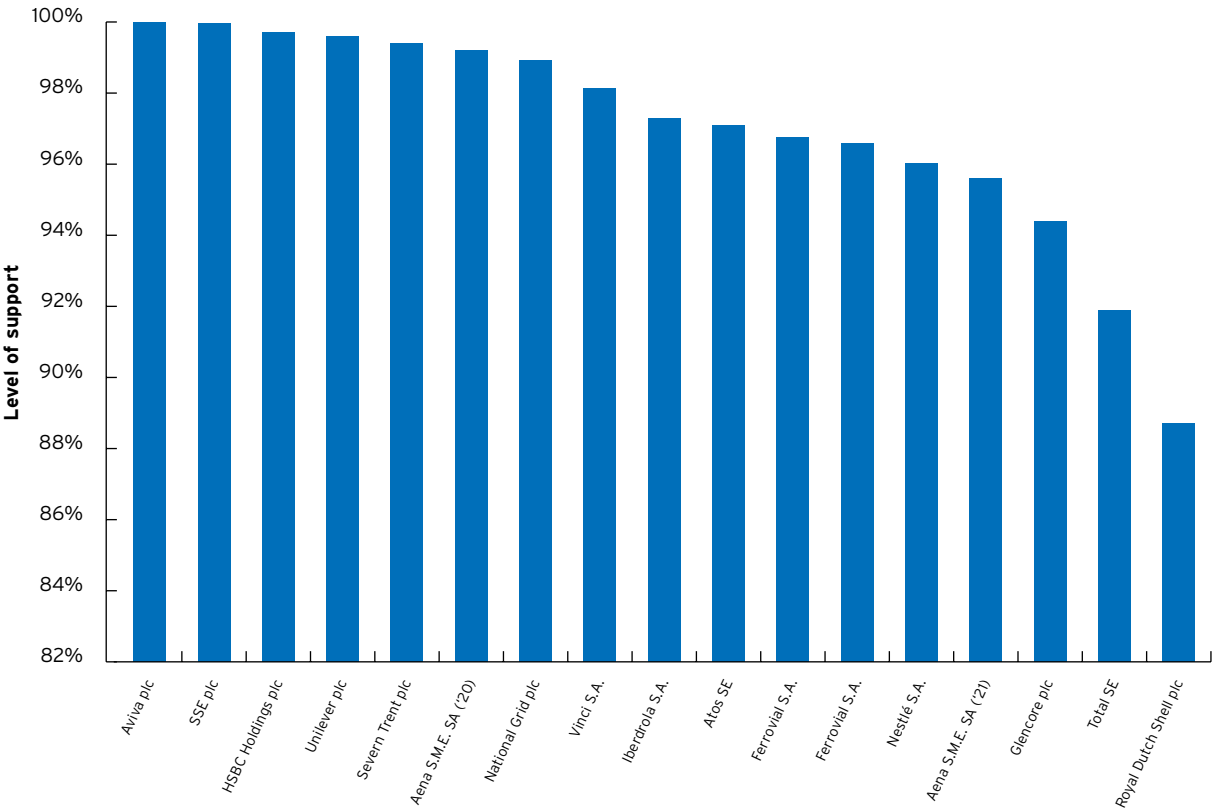
Say on Climate in Europe

At least fifteen companies across Europe have put forward 17 board-sponsored advisory resolutions on their climate disclosures and action plans at their Annual General Meetings. These resolutions are often called “Say on Climate” proposals.

Given that in the United States board-sponsored resolutions of this kind were only presented at the meetings of Moody's Corp and S&P Global, and in Canada at the Canadian National Railway Company AGM, we can conclude that for now this phenomenon has mostly characterized European countries. However, we expect this trend to emerge also in Australia, with more than one company having already committed to presenting a Say on Climate proposal at their 2022 AGMs.

% of Support of AGMs

The graph below shows that the level of support from shareholders was on average of 97% and in all cases above 88.7%. Six companies received almost all votes in favour with over 99% of support: Aviva, SSE, HSBC Holdings, Unilever, Severn Trent and Aena at their 2020 AGM. Only one company obtained a support below 90%: Royal Dutch Shell with 88.7% of votes in favour.





About Georgeson – a Computershare company

Established in 1935, Georgeson is the world's foremost provider of strategic shareholder services to corporations and shareholder groups working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our core proxy expertise is enhanced with and complemented by our strategic consulting services, including solicitation strategy, shareholder identification, corporate governance analysis, vote projections and insight into investor ownership and voting profiles. Our local presence and global footprint allow us to analyze and mitigate operational risk associated with various corporate actions worldwide.

For more information, visit www.georgeson.com.

©2021 Computershare Limited. Computershare and the Computershare/Georgeson logo are registered trademarks of Computershare Limited. No part of this document can be reproduced, by any means, without the prior and express written consent of Computershare.