

2020 Annual Corporate Governance Review

Parts I & II

A Review of Results for:

- > Shareholder Proposals
- > Director Elections
- > Say-on-Pay
- > M&A and Activism Trends

[View Part I >](#)

[View Part II >](#)

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Executive Summary and Acknowledgements

We are pleased to present the 2020 Annual Corporate Governance Review.

NEW THIS YEAR – TWO REPORTS

To help you act on intelligence faster, we have divided the Annual Corporate Governance Review into two parts for the first time in its history. As a result, you receive important 2020 proxy season voting results and 2021 season predictions in a timelier manner than before.

Part I, released in September 2020, provides a comprehensive review of voting outcomes for S&P 1500 2020 annual meetings.¹

All shareholder meeting and voting data presented in this report is for the S&P 1500, unless otherwise indicated. In Part I you'll gain insights into trends emerging from shareholder proposals, director elections and say-on-pay proposals.

Part II, released in November 2020, offers expanded analysis of institutional investor voting decisions on key shareholder proposals, say-on-pay proposals and director elections. It will also contain a critical review of M&A, proxy contests and investor activism trends from the 2020 proxy season.

ACGR INSIGHTS

Following the publication of the two parts of the 2020 Annual Corporate Governance Review, we will release subsequent reports with additional observations gathered from the 2020

Annual Corporate Governance Review through a series of "ACGR Insights." Georgeson's ACGR Insights will dive deeper into the topics presented in the Annual Corporate Governance Review with further analysis of voting data and corporate governance trends.

PARTNERSHIP WITH PROXY INSIGHT

For the fourth year in a row, Georgeson partnered with Proxy Insight to coordinate voting data and analytics. Proxy Insight was instrumental in sourcing the annual meeting and proxy voting data contained in this report.

ABOUT GEORGESEON

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.

¹ We consider the 2020 proxy season to include meetings that occurred between July 1, 2019 and June 30, 2020. Any prior proxy season results are also reported on the same basis.

ABOUT PROXY INSIGHT

Since launching in April 2014, Proxy Insight has become the world's leading source of information on global shareholder voting. The company was founded by investor relations and data business specialists Nick Dawson and Nick Arnott. While Proxy Insight is currently based in the UK and U.S., our operations are truly global in scope with clients spanning five continents. These clients are not only large investment managers, but also include small advisory firms, compensation consultants, bulge bracket investment banks and academic institutions. We are closely linked to our sister company, Activist Insight, which specializes in providing unmatched intelligence to professionals in the global activist investment space. Activist Insight was founded in 2012 by Nick Arnott and Kerry Pogue. For more information, visit www.proxyinsight.com.

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Georgeson's 2020 European AGM Season Review

Want to learn about the European AGM season?

[VIEW REPORT](#)

Methodology

VOTE CALCULATIONS

We calculated each proposal outcome as follows:

- › The votes cast for and against as a percentage of votes cast on the proposal¹
- › The votes cast for and against as a percentage of the company's total outstanding shares as of the meeting record date

VOTE DATA

The 2020 and historical shareholder proposal, director election and say-on-pay voting data discussed herein relates 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.² We obtained the number of votes cast for, against, withheld, abstained and broker non-votes from our research partner, Proxy Insight, citing publicly available sources.

Information on shareholder proposals withdrawn or omitted was gathered with the assistance of Institutional Shareholder Services (ISS) Corporate Solutions.

Please see p. 57 for details on vote data collection and methodology for Part II information.

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 pay links to ESG criteria; formation of board committees addressing social and environmental issues; required social and environmental qualifications for director nominees; and shareholder approval of bylaw amendments.

Social proposals address a broad set of topics, including proposals addressing: 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.

¹We count abstentions as against votes in our vote results calculations.

²Companies in the S&P 1500 at the time of their annual meeting for that particular proxy year.

OTHER NOTES

Data collection, from both Proxy Insight and Georgeson, and calculation methodologies aim to provide accuracy and comparability of our statistics from company to company and from year to year. We thereby avoid the anomalies that result from companies' and sponsors' inconsistent treatment of abstentions and broker non-votes.

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.

If you have any questions for Proxy Insight, please call (646) 513-4141 or email info@proxyinsight.com.

PART I

A Review of Voting Results for:

- > Shareholder Proposals
- > Director Elections
- > Say-on-Pay

The Impact of COVID-19 on the 2020 Proxy Season

The COVID-19 global pandemic fundamentally altered the 2020 U.S. proxy season by changing the logistics of annual meetings, introducing regulatory changes, influencing voting decisions and shaping future shareholder proposal trends.

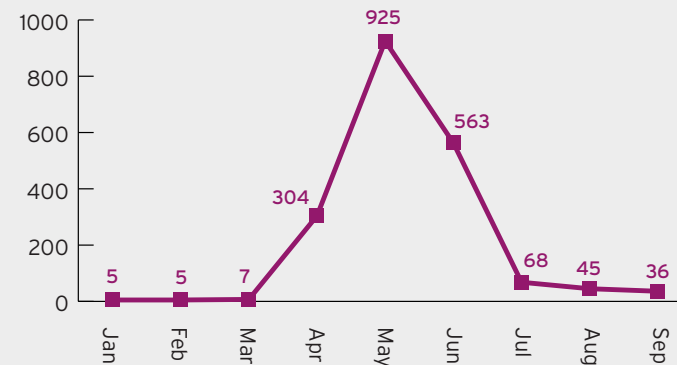
CHANGING MEETING LOGISTICS AND INVESTOR PERCEPTIONS

Restriction on travel and large gatherings combined with growing global health and safety concerns forced companies worldwide to quickly modify meeting logistics late in the planning stages of their 2020 annual shareholder meetings. In the U.S., while COVID-19 caused some companies to postpone or cancel their meetings, the majority of companies shifted to a virtual-only or hybrid format. Most U.S. companies with mid-March 2020 and later meeting dates quickly opted to transition to a virtual meeting format—over 1,900 companies in the Russell 3000, which includes the S&P 1500, as of July 2020 according to ISS. Recognizing the need to prioritize health and safety, most investors were understanding of a company's choice to hold a virtual meeting in 2020.

The use of virtual meetings will likely continue at least into the conclusion of the 2020 calendar year as the pandemic continues to maintain momentum in the U.S. Longer term, the 2020 proxy season will likely become the tipping point at which investors began to embrace virtual meeting technology. While lessons learned this season will certainly shape future best practice recommendations, a

June 2020 Proxy Insight survey of investors' clearly signals broader future use: 90.5% of investors surveyed expect to see increased future use of virtual meeting technology, and 64.3% expect to see more hybrid meetings once COVID-19 subsides. Most notably, 58.4% of investors surveyed said that they support the use of virtual meetings and, if appropriate shareholder rights protections are in place, that number climbs to 82.2%, exceeding the number that reported supporting future use of a hybrid model (81%).

Number of Virtual Meetings for Russell 3000 Companies, January - September 2020²



REGULATORY GUIDANCE

U.S. regulatory bodies, state governments, investors and proxy advisory firms made rapid adjustments to accommodate COVID-19's disruption of the 2020 proxy season. [Read more in Georgeson U.S.'s mid-season report on Annual Meeting Adjustments Amid COVID-19.](#)

In March 2020, the U.S. Securities and Exchange Commission (SEC) published guidance to provide publicly listed companies with additional flexibility with respect to certain annual meeting-related requirements, including communicating with shareholders about the change in meeting format and details about additional filings.³ The SEC guidance, which was later updated in April 2020, states that if a company has already mailed and filed its proxy materials, the company can notify shareholders of a change to the annual or special meeting, including from a physical location to a virtual location, without mailing additional soliciting materials or amending proxy materials, so long as the company:⁴

- › Issues a press release announcing such change
- › Files the release as definitive additional soliciting material
- › Takes reasonable steps necessary to inform other related parties of such change⁵

Recognizing the risk associated with disruption to the proxy mailing process, Computershare U.S. engaged with the SEC during the 2020 season to agree to further guidance to help more issuers take advantage of "Notice and Access" options.

SHAREHOLDER PROPOSAL VOTING, TRENDS AND FUTURE CONSIDERATIONS

While COVID-19's shadow loomed large over the peak proxy season, the proposals voted upon were submitted in advance of the pandemic's arrival in the U.S. Accordingly, while in some cases a company's to-date response to the pandemic may have factored into investors' voting decisions, the full impact of the COVID-19 pandemic will crystalize as we head into the 2021 proxy season. In particular, investors are indicating intentions to scrutinize companies' supply chain management, a range of human capital management topics and compensation practices.

For example, as off-season engagement gets underway, investors are seeking to understand how companies are addressing employee health and safety measures and pay practices. Topics like diversity, equity and inclusion also continue to be top of mind for investors, while focuses expand from gender to racial and ethnic diversity and investors seek data supporting companies' commitments in this area. As discussed in Section 2 - Shareholder Sponsored Proposals, we expect these topics will also heavily influence the 2021 shareholder proposal landscape. As connections continue to be drawn between climate change, deforestation and the pandemic, we may also see some evolution within climate change proposals.

Furthermore, we expect there will be additional focus on compensation-related matters. Investors will be keen to know how companies adjust executive compensation practices and programs as compared to broader employee compensation decisions in light of pandemic-related financial performance issues.

¹ Available at https://www.proxyinsight.com/wp-content/uploads/dlm_uploads/2020/06/Corporate-Governance-and-COVID-19.pdf.

² Companies that have had or plan to have virtual meetings based on year-to-date data available from ISS Corporate Solutions, July 2020.

³ U.S. Securities and Exchange Commission. "Staff Guidance for Conducting Shareholder Meetings in Light of COVID-19 Concerns." April 2020. <https://www.sec.gov/ocr/staff-guidance-conducting-annual-meetings-light-covid-19-concerns>.

⁴ Change in in the date, time or location of the meeting.

⁵ Including intermediaries in the proxy process and other relevant market participants.

Shareholder Sponsored Proposals

Approximately 58% of shareholder sponsored proposals submitted were voted upon this season, compared to approximately 55% in each of 2019 and 2018.

At the same time, the number of proposals withdrawn during the 2020 season represents 15.5% of submitted proposals, compared to 26.4% and 20.0% in 2019 and 2018, respectively. While an increase in the number of proposals not included in the proxy during the 2020 season (i.e., where there is no public record of a proponent withdrawing its proposal) offsets some of the decrease in withdrawals, there remains a notable decrease in negotiated settlements in 2020 as compared to 2019 and 2018. Based on our review of available data and conversations with shareholder proponents, it appears that a few factors may have contributed to this decrease. With respect to E&S topics, while withdrawals continue to be more common for these proposals compared to governance proposals, it is possible that target companies previously implemented practices that addressed fundamental aspects of the topic at issue, perhaps making both parties less willing to compromise than in prior seasons. Likewise, as convictions become more urgent with respect to climate matters in particular, negotiated withdrawals may be less palatable. Conversely, there may have been an increased willingness by proponents to reach settlement on environmentally- focused proposals during the 2018 and 2019 seasons as proponents learned to navigate the SEC's October 2018 guidance regarding micromanagement as a basis of exclusion under Rule 14a-8. That guidance has also narrowed the format that many climate-related proposals take, which may also disincline proponents to further adjust their requests. Lastly, co-filers continue to be a popular approach to proposal submissions, and multiple co-filers may also make it more challenging for a company to negotiate withdrawal of a proposal.

As for proposals receiving no-action relief, those numbers have held relatively steady representing 15.9%, 15.2% and 14.5% of all submitted proposals for 2020, 2019 and 2018, respectively. Accordingly, it appears that the revisions to the SEC's no-action process in the Fall of 2019 had minimal impact on the number of proposals receiving no-action relief.

PROponents

While the Chevedden group was responsible for the majority of governance proposals voted upon during the 2020 season, the majority of E&S proposals that went to a vote were put forth predominantly by what we have categorized as "other shareholder groups," which include socially responsible asset managers, non-profit organizations, and religious organizations.

Top Five Shareholder Proposal Proponents, 2019-2020

Proponent ¹	2020 total submissions	2019 total submissions	Primary Focus
John Chevedden (& associates)	191	250	Governance
As You Sow Foundation	63	53	Environmental & diversity
Mercy Investment Services	35	37	Political, environmental & executive compensation
Trillium Asset Management	36	29	Environmental & social
New York City Comptrollers	31	21	Diversity & social

¹ In some instances these proponents were co-filers or co-sponsors with other proponents.

Governance Shareholder Sponsored Proposals

The number of corporate governance-related proposals submitted and voted on during the 2020 proxy season trended up slightly, but the number receiving majority support dropped significantly compared to 2019 (27 in 2020 as compared to 42 in 2019). This year the average support for governance proposals was slightly down from prior years.

An examination of proponents reveals that almost two-thirds of the governance proposals voted upon this proxy season were sponsored or co-sponsored by John Chevedden, James McRitchie, Kenneth Steiner, William Steiner or Myra Young (collectively “the Chevedden Group”). The remaining proposals were sponsored primarily by public pension funds, labor unions and other socially responsible investors. This breakdown remains relatively unchanged from prior proxy seasons. One interesting trend in 2020 is that 11.7% of governance shareholder proposals did not disclose the proponent, which is up considerably from 1.3% in 2019. Companies need not disclose the proponent of the shareholder proposal, but it is generally considered best practice to do so. This shift is particularly interesting in light of Glass Lewis’s March 2019 launch of its Report Feedback Statement process, which among other things requires issuers to name the shareholder proponent of any shareholder proposal(s) up for a vote at the relevant annual meeting in the company’s proxy in order to use the process.¹

INDEPENDENT BOARD CHAIR

Independent chair proposals have been prolific since the mid-2000s. Despite their popularity, these proposals have experienced average support in the range of 29% to 32% since 2012.

After witnessing only one proposal pass in the past five calendar years (at Rite Aid Corporation in 2018), two proposals passed this year at Baxter International and The Boeing Company. In addition, 11 proposals received support in excess of 40% compared to four such proposals in 2019. The COVID-19 pandemic seems likely to have fueled shareholders’ focus on improving board oversight, effectiveness and independence by requiring an independent chair. Overall average support for these proposals rose to 34% in 2020.

The proposal at Baxter International, a company in the health care sector, received the highest support this proxy season, with 55% of the votes cast in favor. Although the company maintains a combined chairman and CEO position, it has an independent lead director with robust duties. However, the proponent (Kenneth Steiner) raised the lead independent director’s 19-year tenure as a factor compromising his independence. While Institutional Shareholder Services (ISS) did not identify any significant shareholder rights concerns at Baxter, it supported the shareholder proposal on the basis of a recently identified material weakness that resulted in financial restatements, suggesting the need for greater board oversight.

The proposal at Boeing received approximately 52% support even though the company put an independent board chair in place in late 2019. The grounding of the 737 MAX airliner following two deadly crashes, and the associated concerns relating to the culture and safety issues at the company, raised questions about the Boeing board’s failure in executing its oversight responsibilities. The undisclosed proponent of the proposal also highlighted concerns regarding the then current independent chair’s ability to effectively

lead the board in light of his other professional responsibilities and interlocking directorships with two other board members (one of which was Boeing's then CEO Dennis Muilenburg). While most of these concerns were addressed through leadership changes prior to Boeing's annual meeting, the proposal still received majority support as investors believed formalization of this leadership structure was important to ensure ongoing independent board leadership.

Investors view strong, independent board leadership as a matter of importance to ensure effective board oversight and accountability to shareholders. While many investors recognize that an independent lead director with robust duties can be an acceptable alternative, they are increasingly expressing a preference for an independent board chair. Taking a historical view of this topic, it appears the preference for an independent chair gets stronger during the time of market-wide economic crisis. Although there is a current stock market rebound, persistent economic and social challenges presented by COVID-19 are not expected to subside in the near future. It will be interesting to see how these proposals fare during the 2021 proxy season. One thing, however, is certain: independent board oversight and leadership will remain an area of investor focus into 2021 and beyond.

ELIMINATE/REDUCE SUPERMAJORITY/ ADOPT SIMPLE MAJORITY

The number of proposals voted on in connection with the elimination of supermajority voting or the adoption of uniform simple majority requirements dropped significantly to 12 in 2020 as compared to 20 in 2019, but returned to historic norms in line with the number voted upon in the 2018 and 2017 seasons.

This proposal category also represents the most highly supported category among governance proposals, with 11 of the 12 proposals that reached a vote receiving majority support – 10 of which received the necessary support to pass.² The two instances that did not receive the requisite support are distinguishable given individual facts and circumstances.

Despite shareholders' routinely high support of these proposals, they sometimes prove difficult for management to implement in subsequent years. This is due to the supermajority vote required to eliminate the supermajority provisions themselves and the composition of the company's shareholder base.

REDUCTION OF THRESHOLDS FOR SHAREHOLDERS TO CALL A SPECIAL MEETING

The number of proposals seeking reduction of the threshold required for shareholders to call a special meeting saw a surge similar to what we saw in the 2018 proxy season, with 40 such proposals going to a vote this year. The 2018 surge was due to the Chevedden Group's focus on the proposal and its ability to get the proposal on 52 companies' proxy ballots. This proposal was a focus of the Chevedden Group again this year as at least 33 of the 40 proposals that went to a vote were proposed by John Chevedden or members of his group, particularly Kenneth and William Steiner. The continued high average support that these proposals received (42% in 2020) is not surprising given shareholders' ability to call special meetings is broadly considered to be a fundamental right. However, less consensus exists among

investors as to the specific ownership threshold that should be required to have the ability to call a special meeting. Accordingly, the threshold percentage is often a determining factor as to whether these shareholder proposals receive majority support. Of the six proposals that received majority support this season, three sought to reduce the threshold required from 25% ownership to 10%.

SHAREHOLDER RIGHT TO ACT BY WRITTEN CONSENT

This proxy season saw an acceleration in the frequency of proposals seeking the right to act by written consent – 56 went to a vote in 2020, compared to 34 in 2019. Despite the increase in frequency, the average level of support continued its downward trend from the high of 45% in 2017 to 35% for 2020. Shareholders' decisions to support proposals demanding a right to act by written consent are often influenced by whether shareholders have an existing right to call a special meeting at an acceptable threshold (generally ranging from 10% to 25% depending on the investor). In the two instances where this proposal received majority support this season, OGE Energy Corp. did not provide shareholders with the right to call a special meeting and Stanley Black and Decker, Inc. provides the right at a 35% threshold.

SHAREHOLDER APPROVAL OF BYLAW AMENDMENTS

A new shareholder proposal category from the Chevedden group during the 2020 proxy season sought to require non-binding shareholder approval of any board-adopted bylaw amendments. While the proposal was voted upon at 16 companies, it received average support of only 3.7%. Given the low support across the proposals, it remains to be seen if Chevedden will continue to submit these proposals in the 2021 season.

¹ See <https://www.glasslewis.com/report-feedback-statement>. This requirement must be met even if the report content the issuer wishes to comment on does not relate to the shareholder proposal(s).

² While the proposal at PetMed Express, Inc. received nearly 60% of votes cast in favor of the proposal, it required 67% of shares outstanding and entitled to vote in order to pass.

FIGURE 1

S&P 1500 Shareholder Proposal Activity, 2017-2020

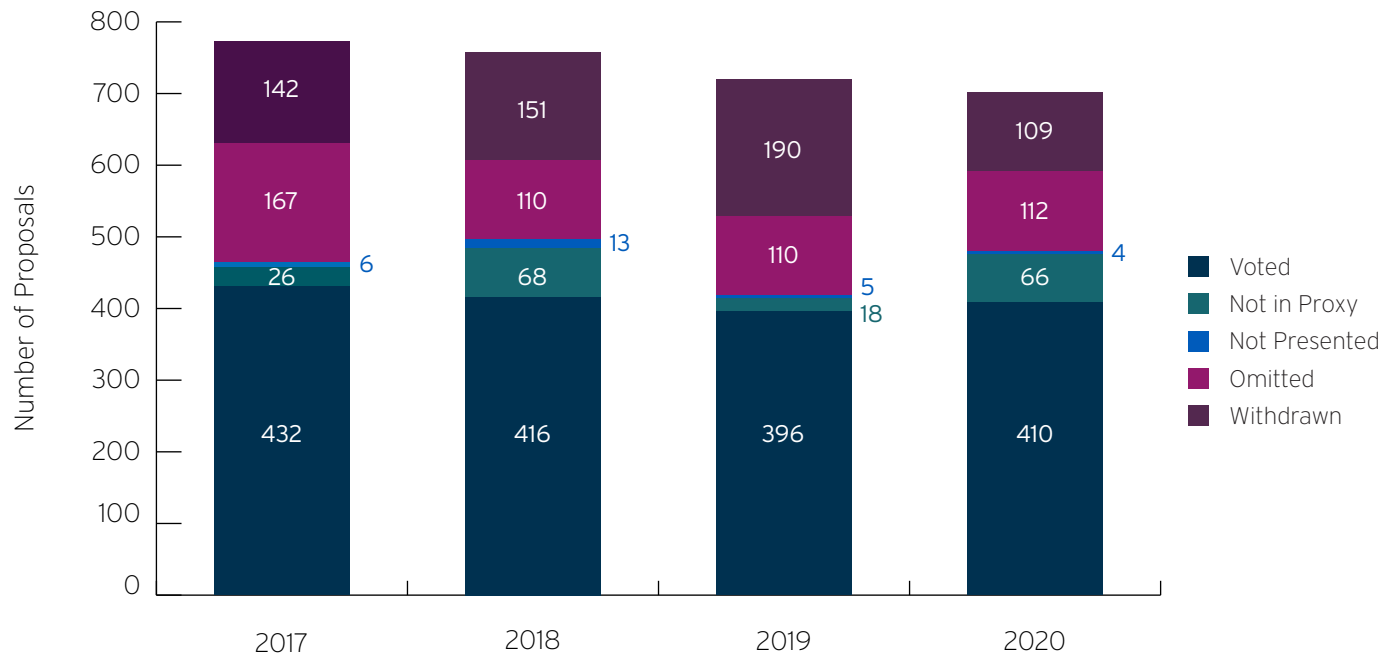


FIGURE 2

Governance Proposals Submitted vs. Voted, 2017-2020

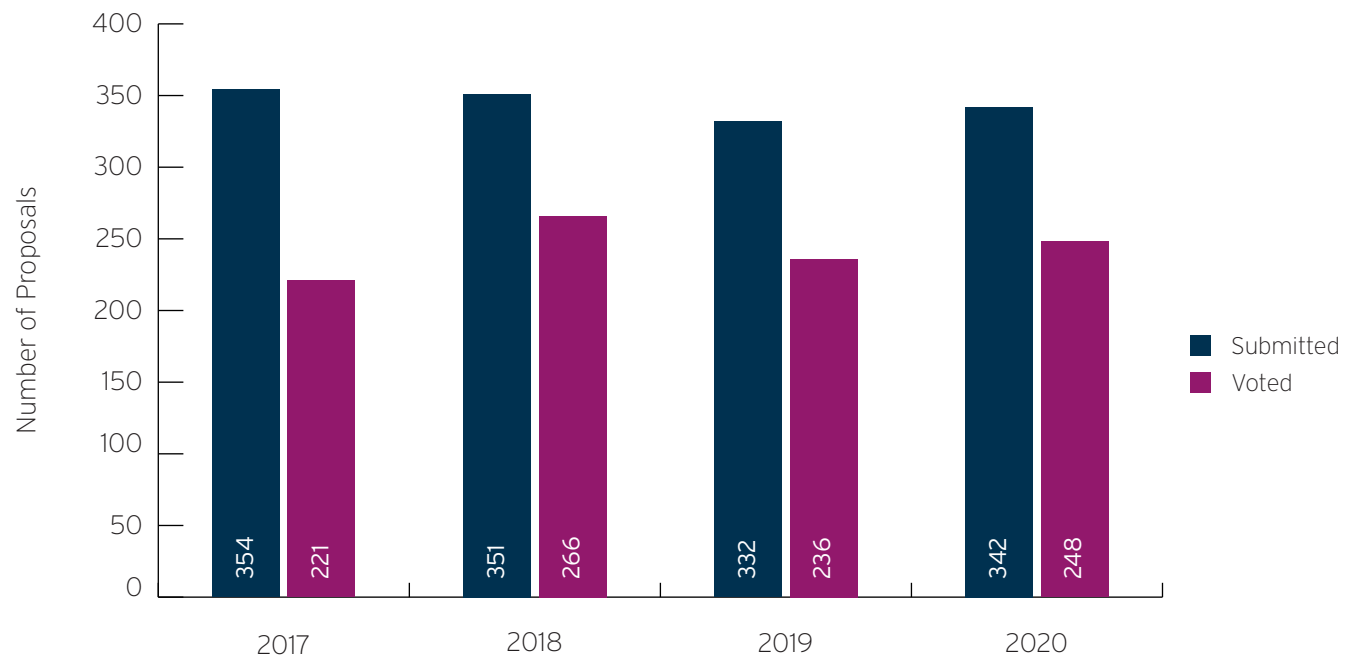


FIGURE 3

Governance Proposals Voted vs. Passed & Average Support, 2017-2020

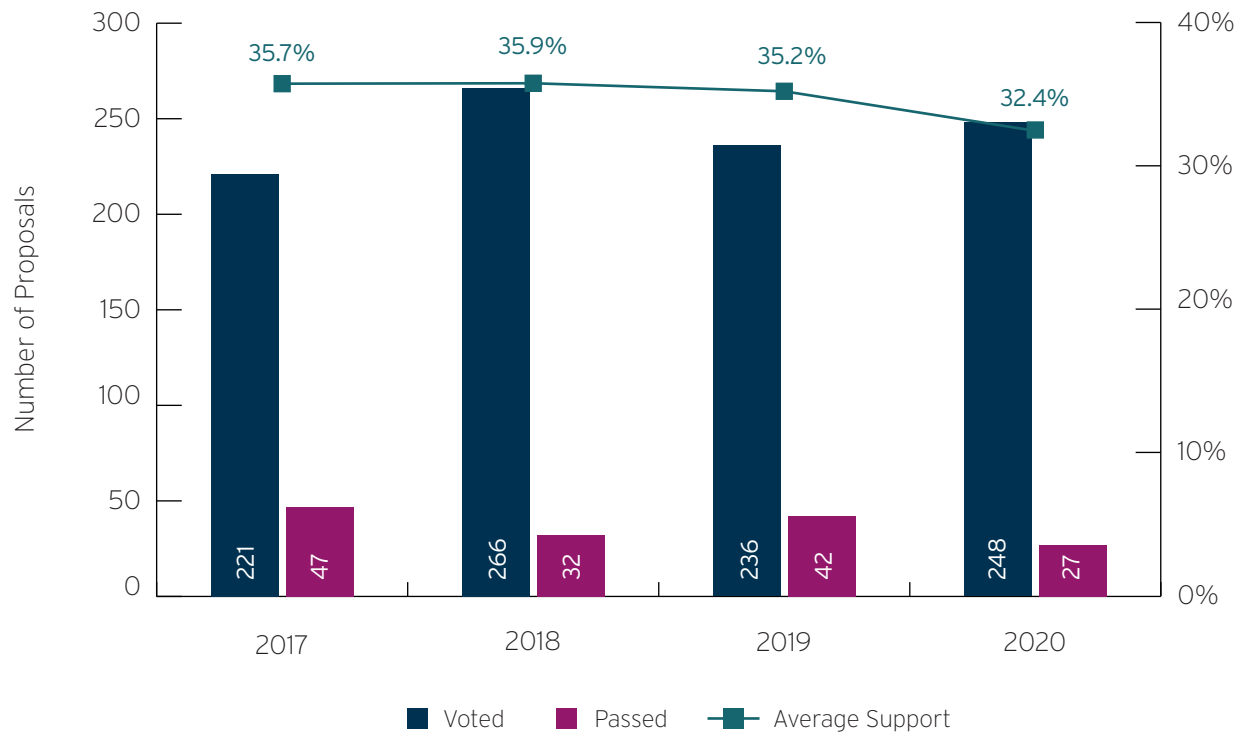


FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Abbott Laboratories	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Kenneth Steiner	2.4%	97.0%	0.6%	1.8%	74.7%	0.5%	11.7%
Abbott Laboratories	Compensation - Use GAAP for Executive Compensation Metrics	Vermont Pension & Investment Committee	30.8%	68.6%	0.6%	23.7%	52.8%	0.5%	11.7%
Abbott Laboratories	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	John Chevedden	84.5%	15.0%	0.5%	65.0%	11.6%	0.4%	11.7%
AbbVie Inc.	Compensation (Social Issues) - Report on Integrating Drug Pricing Risks into Senior Executive Compensation Arrangements	United Church Funds	23.9%	74.2%	1.9%	16.9%	52.4%	1.3%	17.0%
AbbVie Inc.	Require Independent Board Chairman	Employees' Retirement System of Rhode Island	27.5%	71.9%	0.6%	19.4%	50.7%	0.4%	17.0%
Advance Auto Parts Inc	Provide Right to Act by Written Consent	John Chevedden	16.6%	83.2%	0.2%	14.4%	72.2%	0.1%	4.5%
AECOM	Provide Right to Act by Written Consent	John Chevedden	44.7%	55.1%	0.2%	37.1%	45.7%	0.2%	6.2%
AES Corporation (The)	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	17.5%	82.4%	0.1%	14.9%	70.1%	0.1%	3.9%
Alarm.com Holdings Inc	Declassify the Board of Directors	Myra K. Young	61.9%	38.0%	0.1%	53.9%	33.0%	0.1%	6.4%
Alexion Pharmaceuticals Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	48.1%	51.8%	0.1%	38.5%	41.5%	0.1%	6.2%
Alphabet Inc	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Northstar Asset Management	31.6%	68.3%	0.1%	26.2%	56.4%	0.1%	3.9%
Alphabet Inc	Board Related - Establish Human Rights Risk Oversight Committee	Sustainability Group of Loring, Wolcott & Coolidge	16.2%	83.4%	0.3%	13.4%	69.0%	0.3%	3.9%
Alphabet Inc	Board Related - Require Independent Director Nominee with Human and/or Civil Rights Experience	Not Disclosed	9.0%	90.8%	0.2%	7.4%	75.1%	0.2%	3.9%
Alphabet Inc	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Not Disclosed	0.9%	98.8%	0.2%	0.8%	81.7%	0.2%	3.9%
Alphabet Inc	Compensation (Social Issues) - Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation	Zevin Asset Management	13.1%	86.7%	0.2%	10.8%	71.7%	0.2%	3.9%
Alphabet Inc	Require a Majority Vote for the Election of Directors	Not Disclosed	29.4%	70.5%	0.1%	24.3%	58.3%	0.1%	3.9%
Amazon.com Inc.	Require Independent Board Chairman	AFL-CIO	16.2%	80.7%	3.1%	12.0%	59.7%	2.3%	13.0%
Amazon.com Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Not Disclosed	36.6%	63.1%	0.3%	27.1%	46.7%	0.2%	13.0%
AMC Networks Inc.	Require a Majority Vote for the Election of Directors	Not Disclosed	16.1%	83.8%	0.1%	15.2%	79.5%	0.1%	2.7%
Ameren Corporation	Require Independent Board Chairman	Nathan Cummings Foundation	28.9%	70.2%	0.8%	20.4%	49.6%	0.6%	11.4%
American Express Company	Provide Right to Act by Written Consent	Kenneth Steiner	35.7%	64.0%	0.3%	28.7%	51.4%	0.3%	8.4%
American International Group Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Not Disclosed	44.0%	56.0%	0.1%	35.9%	45.7%	0.0%	4.4%
American Tower Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	43.0%	56.8%	0.2%	36.6%	48.3%	0.1%	5.4%
AmerisourceBergen Corporation (Holding Co)	Compensation - Adopt Policy on Bonus Banking	International Brotherhood of Teamsters	33.9%	63.5%	2.6%	29.8%	55.7%	2.3%	5.5%
AmerisourceBergen Corporation (Holding Co)	Provide Right to Act by Written Consent	Kenneth Steiner	34.6%	65.3%	0.1%	30.3%	57.2%	0.1%	5.5%
Amgen Inc.	Require Independent Board Chairman	United Church Funds	34.8%	64.8%	0.4%	26.2%	48.8%	0.3%	13.0%
AMN Healthcare Services Inc	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	31.5%	68.0%	0.5%	28.5%	61.5%	0.5%	4.5%
Amphenol Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	William Steiner	42.6%	57.3%	0.1%	38.2%	51.4%	0.0%	2.5%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Anthem Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	48.6%	49.9%	1.5%	39.8%	40.9%	1.2%	5.8%
Apple Inc.	Compensation (Social Issues) - Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation	Zevin Asset Management	12.0%	87.2%	0.9%	7.1%	52.1%	0.5%	24.5%
Apple Inc.	Proxy Access Right - Amend	James McRitchie	30.9%	68.4%	0.7%	18.4%	40.8%	0.4%	24.5%
AT&T Inc.	Board Related - Approve Nomination of Employee Representative Director	Not Disclosed	7.5%	91.1%	1.4%	4.2%	51.2%	0.8%	24.3%
AT&T Inc.	Compensation - Improve Guiding Principles of Executive Compensation	Jing Zhao	8.6%	90.0%	1.4%	4.8%	50.6%	0.8%	24.3%
AT&T Inc.	Require Independent Board Chairman	Not Disclosed	39.7%	59.1%	1.2%	22.3%	33.2%	0.7%	24.3%
AutoNation Inc.	Special Meetings - Provide Right to Call A Special Meeting	John Chevedden	36.7%	63.2%	0.1%	32.0%	55.2%	0.1%	5.5%
Axon Enterprise Inc.	Declassify the Board of Directors	James McRitchie	84.5%	15.1%	0.4%	64.3%	11.5%	0.3%	16.4%
Badger Meter Inc.	Board Related - Report on Non-Management Employee Representation on the Board of Directors	Northstar Asset Management	3.5%	89.0%	7.5%	2.9%	74.7%	6.3%	6.8%
Bank of America Corporation	Provide Right to Act by Written Consent	Kenneth Steiner	28.0%	70.7%	1.3%	20.2%	50.9%	0.9%	13.3%
Bank of America Corporation	Proxy Access Right - Amend	John Chevedden	26.2%	72.6%	1.2%	18.9%	52.3%	0.9%	13.3%
Bank of America Corporation	Purpose of a Corporation - Review of Statement of the Purpose of a Corporation and Report on Recommended Changes to Governance Documents, Policies, and Practices	Harrington Investments, Inc. / John C. Harrington	9.2%	89.0%	1.9%	6.6%	64.1%	1.4%	13.3%
Bank Of New York Mellon Corporation (The)	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Kenneth Steiner	1.5%	98.1%	0.5%	1.1%	76.2%	0.4%	7.4%
Baxter International Inc.	Provide Right to Act by Written Consent	John Chevedden	38.4%	61.2%	0.4%	30.9%	49.2%	0.3%	8.0%
Baxter International Inc.	Require Independent Board Chairman	Kenneth Steiner	54.9%	44.9%	0.2%	44.2%	36.1%	0.2%	8.0%
Becton, Dickinson and Company	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	40.7%	59.0%	0.3%	33.1%	47.9%	0.3%	7.8%
Bel Fuse Inc	Approve Conversion of Class A Common Stock	GAMCO Asset Management	36.3%	58.9%	4.9%	33.7%	54.7%	4.5%	5.2%
BlackRock Inc.	Purpose of a Corporation - Report on the Statement on the Purpose of a Corporation	As You Sow	3.8%	94.4%	1.8%	3.2%	80.8%	1.5%	6.7%
Bloomin' Brands Inc.	Declassify the Board of Directors	Kenneth Steiner	84.5%	15.5%	0.1%	71.1%	13.0%	0.0%	7.4%
Boeing Company (The)	Compensation - Adopt Share Retention Policy For Senior Executives	Not Disclosed	26.0%	72.7%	1.3%	16.7%	46.8%	0.9%	19.4%
Boeing Company (The)	Compensation - Increase Disclosure of Compensation Adjustments	Not Disclosed	25.4%	73.4%	1.2%	16.4%	47.2%	0.8%	19.4%
Boeing Company (The)	Provide Right to Act by Written Consent	Not Disclosed	43.3%	54.8%	1.8%	27.9%	35.3%	1.2%	19.4%
Boeing Company (The)	Require Independent Board Chairman	Not Disclosed	52.1%	46.5%	1.4%	33.6%	30.0%	0.9%	19.4%
Booking Holdings Inc.	Provide Right to Act by Written Consent	John Chevedden	49.1%	50.7%	0.2%	41.0%	42.4%	0.2%	4.5%
BorgWarner Inc.	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	4.8%	94.3%	0.8%	4.2%	81.2%	0.7%	5.5%
Boston Scientific Corporation	Board Related - Report on Non-Management Employee Representation on the Board of Directors	Northstar Asset Management	3.9%	95.9%	0.2%	3.3%	80.9%	0.1%	2.8%
Bristol-Myers Squibb Company	Provide Right to Act by Written Consent	James McRitchie	43.2%	56.1%	0.7%	30.6%	39.8%	0.5%	15.1%
Bristol-Myers Squibb Company	Require Independent Board Chairman	Sisters of St. Francis of Philadelphia	44.3%	55.0%	0.6%	31.4%	39.0%	0.5%	15.1%
Cadence Design Systems Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	53.7%	44.8%	1.6%	44.2%	36.8%	1.3%	6.6%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Calavo Growers Inc.	Board Related - Require Majority of Independent Directors on Board	Carlson School Growth Fund LLC/ Carlson School of Management	47.0%	52.4%	0.6%	34.5%	38.4%	0.4%	9.9%
Capital One Financial Corporation	Require Independent Board Chairman	John Chevedden	32.9%	66.9%	0.2%	27.9%	56.6%	0.1%	5.6%
Caterpillar Inc.	Provide Right to Act by Written Consent	Myra K. Young	43.9%	55.1%	1.0%	30.6%	38.3%	0.7%	17.3%
Caterpillar Inc.	Require Independent Board Chairman	John Chevedden	30.3%	69.0%	0.7%	21.1%	48.0%	0.5%	17.3%
CBRE Group, Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	42.2%	57.6%	0.2%	36.6%	49.9%	0.2%	3.5%
Centene Corporation	Majority Vote / Eliminate Supermajority - Eliminate Supermajority Vote Requirement	John Chevedden	93.8%	6.1%	0.1%	82.0%	5.3%	0.1%	4.5%
CF Industries Holdings Inc.	Provide Right to Act by Written Consent	John Chevedden	41.7%	58.1%	0.2%	33.9%	47.2%	0.2%	5.3%
Charter Communications Inc.	Require Independent Board Chairman	Comptroller of the State of New York	23.5%	76.3%	0.3%	19.2%	62.2%	0.2%	2.3%
Chemours Co/The	Board Related - Establish Board Advisory Position	International Brotherhood of DuPont Workers	3.5%	95.9%	0.6%	2.5%	67.7%	0.5%	16.9%
Chevron Corporation	Board Related - Establish Board Committee on Climate Risk	Arjuna Capital / Adam D. Seitchik	7.9%	88.5%	3.7%	5.3%	59.4%	2.5%	15.9%
Chevron Corporation	Require Independent Board Chairman	Newground Social Investment	26.5%	72.2%	1.3%	17.8%	48.5%	0.9%	15.9%
Chevron Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Not Disclosed	33.9%	64.9%	1.2%	22.8%	43.6%	0.8%	15.9%
Chipotle Mexican Grill Inc.	Compensation - Adopt Share Retention Policy For Senior Executives	Comptroller of the City of New York	20.7%	79.1%	0.2%	17.0%	65.1%	0.2%	7.3%
Chipotle Mexican Grill Inc.	Provide Right to Act by Written Consent	James McRitchie	41.4%	58.5%	0.1%	34.0%	48.1%	0.1%	7.3%
Chipotle Mexican Grill Inc.	Require Independent Board Chairman	Service Employees International Union Pension Plans Master Trust (SEIU)	44.4%	55.5%	0.1%	36.5%	45.7%	0.1%	7.3%
Cigna Corp	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Not Disclosed	45.2%	53.7%	1.1%	38.5%	45.7%	0.9%	5.5%
Cisco Systems Inc.	Require Independent Board Chairman	Kenneth Steiner	28.5%	70.9%	0.6%	19.6%	48.9%	0.4%	14.6%
Citigroup Inc.	Proxy Access Right - Amend	John Chevedden	37.0%	62.7%	0.3%	27.7%	47.0%	0.2%	9.6%
Citigroup Inc.	Purpose of a Corporation - Review on Governance Documents/Purpose of a Corporation	Harrington Investments, Inc. / John C. Harrington	6.9%	91.8%	1.3%	5.2%	68.8%	1.0%	9.6%
Coca-Cola Consolidated, Inc.	Approve Recapitalization Plan for All Stock to Have One-vote per Share	International Brotherhood of Teamsters	6.0%	93.9%	0.0%	5.9%	91.5%	0.0%	1.6%
Cognizant Technology Solutions Corporation	Provide Right to Act by Written Consent	John Chevedden	17.1%	82.6%	0.3%	14.3%	69.2%	0.2%	5.9%
Colgate-Palmolive Company	Require Independent Board Chairman	Kenneth Steiner	45.8%	53.6%	0.6%	34.6%	40.5%	0.4%	9.6%
Colgate-Palmolive Company	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	45.1%	54.3%	0.7%	34.0%	41.0%	0.5%	9.6%
Cummins Inc.	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Not Disclosed	4.9%	94.4%	0.7%	3.8%	72.8%	0.5%	10.1%
CVS Health Corp	Provide Right to Act by Written Consent - Amend Shareholder Written Consent Provisions	Kenneth Steiner	15.7%	83.8%	0.6%	11.3%	60.1%	0.4%	13.5%
CVS Health Corp	Require Independent Board Chairman	John Chevedden	20.5%	78.9%	0.6%	14.7%	56.6%	0.4%	13.5%
Danaher Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	William Steiner	40.7%	59.1%	0.1%	34.7%	50.4%	0.1%	4.6%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Delta Air Lines Inc.	Provide Right to Act by Written Consent	John Chevedden	45.9%	53.3%	0.8%	22.6%	26.2%	0.4%	28.2%
Dine Brands Global, Inc.	Engage an Investment Banking Firm to Effectuate a Spin-Off of the Company's IHOP Business Unit	JCP Investment Management, LLC	1.6%	97.8%	0.6%	1.4%	83.9%	0.5%	8.0%
Discovery Inc	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	John Chevedden	28.4%	71.3%	0.3%	24.3%	61.0%	0.3%	5.8%
Dominion Energy Inc	Provide Right to Act by Written Consent	Not Disclosed	30.9%	68.1%	1.0%	21.2%	46.8%	0.7%	15.3%
Dominion Energy Inc	Require Independent Board Chairman	Comptroller of the City of New York	43.9%	50.3%	5.8%	30.2%	34.6%	4.0%	15.3%
Donnelley Financial Solutions Inc	Seek Sale of Company	Samuel Yake	1.4%	98.2%	0.4%	1.2%	84.9%	0.4%	5.8%
Dover Corporation	Provide Right to Act by Written Consent	John Chevedden	33.0%	66.7%	0.4%	27.6%	55.9%	0.3%	6.7%
Duke Energy Corporation	Majority Vote / Eliminate Supermajority - Eliminate Supermajority Vote Requirement	John Chevedden	85.5%	5.3%	9.2%	55.0%	3.4%	5.9%	21.2%
Duke Energy Corporation	Require Independent Board Chairman	Comptroller of the City of New York	37.5%	55.9%	6.6%	24.1%	35.9%	4.3%	21.2%
DuPont de Nemours, Inc.	Board Related - Approve Creation of an Employee Board Advisory Position	International Brotherhood of DuPont Workers	4.3%	94.4%	1.3%	3.2%	68.7%	0.9%	12.2%
DuPont de Nemours, Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	44.8%	54.7%	0.5%	32.6%	39.8%	0.4%	12.2%
E*TRADE Financial Corporation	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	John Chevedden	97.4%	0.6%	2.0%	72.7%	0.4%	1.5%	6.8%
Eastman Chemical Company	Provide Right to Act by Written Consent	John Chevedden	47.4%	52.1%	0.5%	36.0%	39.6%	0.4%	9.1%
eBay Inc.	Provide Right to Act by Written Consent	John Chevedden	45.6%	54.2%	0.2%	36.5%	43.4%	0.2%	7.6%
Ecolab Inc.	Proxy Access Right - Amend	John Chevedden	32.8%	66.5%	0.7%	26.8%	54.5%	0.6%	6.7%
Edison International	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	1.7%	97.9%	0.3%	1.5%	82.2%	0.3%	5.3%
Edwards Lifesciences Corporation	Provide Right to Act by Written Consent	John Chevedden	17.7%	81.9%	0.4%	14.3%	66.0%	0.4%	6.2%
Electronic Arts Inc.	Special Meetings - Provide Right for Shareholders Holding 15% or More of the Common Stock to Call Special Meetings	James McRitchie	57.4%	42.4%	0.2%	45.6%	33.7%	0.2%	5.8%
Eli Lilly and Company	Compensation - Clawback Policy	Trinity Health	35.0%	64.7%	0.3%	28.6%	52.9%	0.2%	8.8%
Eli Lilly and Company	Compensation - Implement a Bonus Deferral Policy	UAW Retiree Medical Benefits Trust	31.1%	68.6%	0.3%	25.4%	56.1%	0.3%	8.8%
Eli Lilly and Company	Compensation (Social Issues) - Report on Integrating Drug Pricing Risks into Senior Executive Compensation Arrangements	Mercy Investment Services	23.6%	72.9%	3.5%	19.3%	59.6%	2.9%	8.8%
Eli Lilly and Company	Require Independent Board Chairman	Daughters of Charity Inc.	33.9%	65.9%	0.3%	27.7%	53.9%	0.2%	8.8%
EMCOR Group Inc.	Provide Right to Act by Written Consent	John Chevedden	44.8%	54.7%	0.5%	40.0%	48.8%	0.4%	2.4%
Exxon Mobil Corporation	Require Independent Board Chairman	Olga Monks Pertzoff Trust 1945	32.3%	66.6%	1.1%	19.8%	40.8%	0.7%	20.8%
Exxon Mobil Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	26.4%	72.3%	1.2%	16.2%	44.4%	0.7%	20.8%
Facebook Inc.	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Northstar Asset Management	27.1%	72.7%	0.2%	22.6%	60.8%	0.1%	4.0%
Facebook Inc.	Board Related - Require Independent Director Nominee with Human and/or Civil Rights Experience	Arjuna Capital / Adam D. Seitchik	3.7%	95.9%	0.4%	3.1%	80.1%	0.4%	4.0%
Facebook Inc.	Require a Majority Vote for the Election of Directors	Not Disclosed	25.4%	74.5%	0.1%	21.2%	62.3%	0.1%	4.0%
Facebook Inc.	Require Independent Board Chairman	Comptroller of the City of New York	19.5%	80.4%	0.1%	16.3%	67.2%	0.1%	4.0%
FedEx Corporation	Board Related - Report on Employee Representation on the Board of Directors	Northstar Asset Management	3.9%	95.3%	0.8%	2.9%	71.2%	0.6%	11.7%
FirstEnergy Corporation	Proxy Access Right - Amend	John Chevedden	28.0%	71.1%	0.9%	21.9%	55.7%	0.7%	7.4%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
FleetCor Technologies Inc.	Compensation - Adopt Policy that Adjust Financial Performance Metrics to Exclude The Impact of Share Repurchases for Executive Officers	Not Disclosed	26.1%	70.9%	3.0%	22.3%	60.6%	2.5%	4.5%
FleetCor Technologies Inc.	Special Meetings - Provide Right to Call A Special Meeting	William Steiner	78.9%	21.1%	0.0%	67.3%	18.0%	0.0%	4.5%
Flowserve Corporation	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Not Disclosed	0.7%	98.9%	0.5%	0.6%	88.1%	0.4%	3.6%
Ford Motor Company	Approve Recapitalization Plan for all Stock to Have One-vote per Share	John Chevedden	34.9%	64.4%	0.7%	24.3%	44.9%	0.5%	20.6%
Fortinet Inc.	Provide Right to Act by Written Consent	John Chevedden	41.2%	58.6%	0.1%	32.4%	46.0%	0.1%	5.8%
General Dynamics Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	40.1%	59.6%	0.2%	33.4%	49.6%	0.2%	8.1%
General Electric Company	Require Independent Board Chairman	Kenneth Steiner	25.8%	73.6%	0.6%	15.6%	44.4%	0.3%	14.1%
General Motors Company	Provide Right to Act by Written Consent	Not Disclosed	40.8%	59.0%	0.3%	31.6%	45.8%	0.2%	9.6%
General Motors Company	Proxy Access Right - Amend	Mary Lowe Mayhugh	20.5%	79.1%	0.4%	15.9%	61.4%	0.3%	9.6%
Gilead Sciences Inc.	Provide Right to Act by Written Consent - Eliminate the Ownership Threshold for Stockholders to Request a Record Date to Take Action by Written Consent	John Chevedden	9.4%	90.2%	0.3%	7.1%	67.7%	0.2%	11.3%
Gilead Sciences Inc.	Require Independent Board Chairman	United Church Funds	43.4%	56.3%	0.3%	32.5%	42.2%	0.2%	11.3%
Goldman Sachs Group Inc. (The)	Provide Right to Act by Written Consent	John Chevedden	41.4%	55.5%	3.2%	30.6%	41.0%	2.3%	12.4%
Goldman Sachs Group Inc. (The)	Purpose of a Corporation - Review of Statement on the Purpose of a Corporation	Harrington Investments, Inc. / John C. Harrington	5.8%	90.3%	3.9%	4.3%	66.8%	2.9%	12.4%
Goodyear Tire & Rubber Co/The	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	3.8%	95.1%	1.1%	2.7%	67.9%	0.8%	13.6%
Greenhill & Co. Inc.	Proxy Access Right - Amend	John Chevedden	29.5%	70.4%	0.1%	23.8%	56.9%	0.0%	13.1%
HCA Healthcare, Inc.	Provide Right to Act by Written Consent	John Chevedden	19.3%	80.6%	0.1%	16.7%	69.5%	0.1%	5.9%
Hewlett Packard Enterprise Co	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	1.9%	97.2%	0.9%	1.4%	73.5%	0.7%	11.3%
Home Depot Inc. (The)	Compensation - Adopt Share Retention Policy For Senior Executives	Lynne M Gerber Traditional Beneficial IRA of Judith S Gerber	26.1%	73.0%	0.8%	18.3%	51.0%	0.6%	15.5%
Home Depot Inc. (The)	Provide Right to Act by Written Consent	John Chevedden	19.3%	80.2%	0.5%	13.5%	56.0%	0.4%	15.5%
Honeywell International Inc.	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	4.5%	94.7%	0.8%	3.5%	72.8%	0.6%	10.7%
Howmet Aerospace Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	14.7%	84.8%	0.5%	10.9%	63.2%	0.4%	9.5%
HP Inc	Provide Right to Act by Written Consent	John Chevedden	49.7%	49.7%	0.5%	37.5%	37.5%	0.4%	10.7%
Huntington Ingalls Industries Inc.	Provide Right to Act by Written Consent	John Chevedden	43.4%	56.2%	0.4%	36.7%	47.5%	0.3%	7.2%
IDEX Corporation	Board Related - Report on Employee Representation on the Board of Directors	Northstar Asset Management	4.3%	92.5%	3.2%	3.9%	82.7%	2.8%	2.4%
Illinois Tool Works Inc.	Provide Right to Act by Written Consent	John Chevedden	35.2%	63.8%	1.0%	28.3%	51.4%	0.8%	8.4%
Incyte Corporation	Require Independent Board Chairman	Sandra J. Kulli	33.4%	66.1%	0.5%	28.6%	56.6%	0.4%	5.3%
Intel Corporation	Provide Right to Act by Written Consent	John Chevedden	41.4%	57.9%	0.7%	26.5%	37.1%	0.4%	15.0%
International Business Machines Corporation (IBM)	Board Related - Provide Right to Remove Directors	Myra K. Young	53.7%	44.9%	1.4%	32.9%	27.5%	0.9%	17.3%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
International Business Machines Corporation (IBM)	Provide Right to Act by Written Consent	John Chevedden	41.5%	56.8%	1.7%	25.4%	34.8%	1.0%	17.3%
International Business Machines Corporation (IBM)	Require Independent Board Chairman	Kenneth Steiner	42.7%	55.9%	1.4%	26.1%	34.2%	0.9%	17.3%
International Paper Company	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	William Steiner	33.3%	66.2%	0.4%	25.1%	49.9%	0.3%	13.8%
Interpublic Group of Companies Inc. (The)	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	37.0%	62.9%	0.2%	31.5%	53.5%	0.1%	4.2%
Intuit Inc.	Adopt a Mandatory Arbitration Bylaw	The Doris Behr 2012 Irrevocable Trust	2.4%	97.5%	0.1%	2.0%	81.9%	0.1%	6.3%
ITT Inc.	Proxy Access Right - Amend	John Chevedden	30.8%	68.9%	0.3%	27.0%	60.3%	0.2%	6.2%
JetBlue Airways Corporation	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	1.9%	97.7%	0.5%	1.5%	79.2%	0.4%	12.6%
Johnson & Johnson	Require Independent Board Chairman	Trillium Asset Management Corp.	41.6%	57.8%	0.6%	29.5%	41.1%	0.4%	14.1%
JP Morgan Chase & Co	Provide Right to Act by Written Consent	John Chevedden	10.9%	88.5%	0.7%	7.9%	64.3%	0.5%	12.6%
JP Morgan Chase & Co	Require Independent Board Chairman	Kenneth Steiner	41.7%	57.8%	0.5%	30.3%	42.0%	0.4%	12.6%
Kansas City Southern	Provide Right to Act by Written Consent	James McRitchie	23.2%	76.6%	0.3%	19.3%	63.8%	0.2%	6.7%
Kellogg Company	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	James McRitchie	52.6%	47.0%	0.4%	42.7%	38.2%	0.3%	8.0%
KeyCorp	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	46.0%	53.6%	0.4%	37.1%	43.2%	0.3%	8.9%
Kimberly-Clark Corporation	Provide Right to Act by Written Consent	Myra K. Young	49.2%	49.5%	1.3%	36.4%	36.6%	1.0%	14.0%
Knight-Swift Transportation Holdings Inc	Provide Right to Act by Written Consent	Not Disclosed	27.0%	72.9%	0.2%	23.6%	63.7%	0.1%	8.4%
Kohl's Corporation	Provide Right to Act by Written Consent	John Chevedden	7.3%	92.3%	0.4%	5.4%	68.4%	0.3%	11.1%
Korn Ferry	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	43.6%	56.4%	0.0%	37.6%	48.6%	0.0%	4.9%
Laboratory Corporation of America Holdings	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	53.2%	46.5%	0.4%	42.9%	37.5%	0.3%	7.1%
Legg Mason Inc.	Majority Vote / Eliminate Supermajority - Eliminate Supermajority Vote Requirement	James McRitchie	93.4%	2.5%	4.1%	76.7%	2.1%	3.4%	10.7%
Leidos Holdings, Inc.	Proxy Access Right - Amend	Kenneth Steiner	33.8%	64.6%	1.6%	25.7%	49.2%	1.3%	7.1%
Lincoln National Corporation	Require Independent Board Chairman	Kenneth Steiner	24.0%	75.6%	0.4%	18.4%	58.0%	0.3%	10.5%
Lincoln National Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	8.8%	90.8%	0.4%	6.8%	69.7%	0.3%	10.5%
Lockheed Martin Corporation	Provide Right to Act by Written Consent	John Chevedden	46.8%	51.3%	1.9%	36.4%	39.9%	1.5%	12.8%
Lowe's Companies Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	33.3%	66.4%	0.3%	24.7%	49.2%	0.2%	13.6%
Marathon Petroleum Corporation	Compensation (Social Issues) - Report on Integrating Community Impacts Into Executive Compensation Program	Sundance Family Foundation	7.6%	90.2%	2.1%	5.3%	62.1%	1.5%	14.1%
Marathon Petroleum Corporation	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	John Chevedden	97.9%	1.5%	0.7%	67.4%	1.0%	0.5%	14.1%
Marriott International	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	AFL-CIO	65.5%	32.4%	2.1%	49.3%	24.4%	1.6%	13.5%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Mattel Inc.	Require Independent Board Chairman	Not Disclosed	37.1%	62.8%	0.1%	33.4%	56.4%	0.1%	5.4%
McDonald's Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	42.3%	57.1%	0.6%	29.0%	39.2%	0.4%	14.7%
McKesson Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	41.0%	58.7%	0.3%	33.3%	47.7%	0.2%	8.2%
Merck & Company Inc.	Provide Right to Act by Written Consent	Kenneth Steiner	41.8%	57.5%	0.7%	29.9%	41.1%	0.5%	12.9%
Merck & Company Inc.	Report on Corporate Tax Savings Allocation	Oxfam America Inc	3.3%	96.0%	0.7%	2.3%	68.6%	0.5%	12.9%
Microsoft Corporation	Board Related - Report on Employee Representation on the Board of Directors	Northstar Asset Management	4.2%	91.0%	4.8%	3.1%	66.8%	3.5%	12.5%
Mosaic Company (The)	Provide Right to Act by Written Consent	Kenneth Steiner	35.7%	64.0%	0.3%	26.8%	48.0%	0.3%	8.8%
Nasdaq Inc	Provide Right to Act by Written Consent	Kenneth Steiner	35.1%	64.8%	0.1%	22.3%	41.1%	0.1%	3.2%
National Fuel Gas Company	Declassify the Board of Directors	GAMCO Asset Management	72.2%	26.5%	1.3%	58.7%	21.5%	1.0%	10.2%
Netflix Inc.	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	John Chevedden	73.3%	26.4%	0.3%	55.6%	20.0%	0.3%	11.0%
NETGEAR Inc.	Provide Right to Act by Written Consent	James McRitchie	48.7%	51.1%	0.2%	43.7%	45.9%	0.2%	5.6%
New York Community Bancorp Inc.	Board Related - Establish Term Limits for Directors	Jeffrey L. Doppelt	4.5%	93.8%	1.7%	2.8%	58.7%	1.1%	21.6%
New York Community Bancorp Inc.	Declassify the Board of Directors	Kenneth Steiner	82.1%	14.7%	3.3%	51.3%	9.2%	2.1%	21.6%
Nextera Energy, Inc.	Provide Right to Act by Written Consent	Not Disclosed	44.9%	54.4%	0.7%	34.8%	42.1%	0.6%	11.4%
NiSource, Inc	Provide Right to Act by Written Consent	John Chevedden	36.9%	62.6%	0.5%	31.5%	53.4%	0.4%	5.6%
Norfolk Southern Corporation	Provide Right to Act by Written Consent	John Chevedden	12.8%	86.4%	0.8%	9.3%	62.9%	0.6%	14.1%
Northrop Grumman Corporation	Provide Right to Act by Written Consent	John Chevedden	27.6%	71.6%	0.8%	23.0%	59.6%	0.7%	9.0%
NortonLifeLock Inc.	Require Independent Board Chairman	Kenneth Steiner	39.4%	57.3%	3.3%	30.4%	44.1%	2.5%	8.6%
OGE Energy Corporation	Provide Right to Act by Written Consent	John Chevedden	78.7%	20.0%	1.3%	53.5%	13.6%	0.9%	15.4%
Omnicom Group Inc.	Proxy Access Right - Amend	John Chevedden	32.5%	67.3%	0.3%	27.1%	56.1%	0.2%	5.7%
Oracle Corporation	Require Independent Board Chairman	Kenneth Steiner	35.2%	64.7%	0.2%	29.1%	53.5%	0.1%	8.7%
O'Reilly Automotive Inc.	Require Independent Board Chairman	John Chevedden	39.8%	60.1%	0.2%	31.9%	48.1%	0.2%	8.2%
PACCAR Inc.	Provide Right to Act by Written Consent	Not Disclosed	32.3%	65.3%	2.4%	27.8%	56.0%	2.0%	0.0%
PayPal Holdings Inc	Provide Right to Act by Written Consent	John Chevedden	41.8%	57.8%	0.4%	32.4%	44.7%	0.3%	9.2%
PepsiCo Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	44.5%	54.8%	0.6%	32.4%	39.9%	0.5%	13.5%
PetMed Express Inc.	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	James McRitchie	57.9%	39.3%	2.8%	27.2%	18.5%	1.3%	38.1%
Pfizer Inc.	Provide Right to Act by Written Consent	Kenneth Steiner	15.7%	83.5%	0.8%	11.1%	58.8%	0.6%	14.7%
Pfizer Inc.	Proxy Access Right - Amend	John Chevedden	30.0%	69.3%	0.7%	21.1%	48.8%	0.5%	14.7%
Pfizer Inc.	Require Independent Board Chairman	Sisters of St. Francis of Philadelphia	33.8%	65.6%	0.7%	23.8%	46.2%	0.5%	14.7%
Pilgrim's Pride Corporation	Require a Majority Vote for the Election of Directors	California Public Employees' Retirement System (CalPERS)	17.4%	82.6%	0.0%	16.6%	78.8%	0.0%	2.1%
Pinnacle West Capital Corporation	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	38.3%	61.1%	0.6%	30.6%	48.8%	0.4%	6.9%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
PPL Corporation	Require Independent Board Chairman	Kenneth Steiner	44.4%	54.9%	0.7%	31.6%	39.0%	0.5%	14.3%
Prudential Financial Inc.	Require Independent Board Chairman	John Chevedden	46.9%	52.2%	0.9%	28.6%	31.8%	0.6%	10.7%
Raytheon Technologies Corp	Majority Vote / Eliminate Supermajority - Adopt Simple Majority Vote	John Chevedden	93.6%	2.6%	3.7%	71.0%	2.0%	2.8%	10.8%
Reliance Steel & Aluminum Co.	Proxy Access Right - Amend	John Chevedden	29.1%	70.7%	0.2%	24.2%	58.6%	0.2%	8.2%
Royal Caribbean Cruises Ltd.	Require Independent Board Chairman	Robert L. Kurte and Harold Kurte	31.3%	68.4%	0.2%	21.7%	47.4%	0.2%	16.2%
Ryder System Inc.	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	2.2%	97.1%	0.8%	1.7%	76.5%	0.6%	9.5%
Salesforce.com Inc	Provide Right to Act by Written Consent	James McRitchie	27.7%	71.6%	0.7%	21.8%	56.4%	0.5%	9.1%
Sempra Energy	Require Independent Board Chairman	John Chevedden	38.2%	61.5%	0.3%	31.7%	51.1%	0.2%	6.6%
Skyworks Solutions Inc.	Provide Right to Act by Written Consent	John Chevedden	44.7%	54.8%	0.6%	32.6%	40.0%	0.4%	12.1%
Sonoco Products Company	Special Meetings - Provide Right to Call A Special Meeting	Not Disclosed	70.1%	29.7%	0.2%	55.3%	23.4%	0.2%	11.3%
Southern Company (The)	Require Independent Board Chairman	Comptroller of the City of New York	22.1%	76.8%	1.1%	14.0%	48.7%	0.7%	19.9%
Southwest Airlines Company	Provide Right to Act by Written Consent	John Chevedden	9.4%	89.9%	0.7%	7.4%	70.7%	0.5%	12.3%
Southwest Airlines Company	Require Independent Board Chairman	Kenneth Steiner	20.2%	79.1%	0.6%	15.9%	62.3%	0.5%	12.3%
Southwestern Energy Company	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	37.2%	62.3%	0.4%	27.2%	45.4%	0.3%	15.3%
Stanley Black & Decker Inc.	Provide Right to Act by Written Consent	John Chevedden	50.9%	48.8%	0.3%	39.1%	37.5%	0.2%	7.2%
Stericycle Inc.	Compensation - Clawback Policy	International Brotherhood of Teamsters	53.1%	44.4%	2.5%	47.8%	40.0%	2.3%	3.7%
Stericycle Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	44.7%	55.0%	0.3%	40.3%	49.5%	0.3%	3.7%
Stryker Corporation	Board Related - Report on Non-Management Employee Representation on the Board of Directors	Northstar Asset Management	6.2%	93.4%	0.4%	5.0%	75.5%	0.4%	8.6%
Sysco Corporation	Require Independent Board Chairman	International Brotherhood of Teamsters	31.1%	68.4%	0.5%	23.5%	51.7%	0.4%	12.1%
Telephone & Data Systems Inc	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Kenneth Steiner	35.7%	64.2%	0.1%	33.9%	60.9%	0.1%	1.7%
Tenet Healthcare Corporation	Require Independent Board Chairman	International Brotherhood of Teamsters	14.3%	85.4%	0.3%	12.1%	72.3%	0.2%	7.5%
Timken Company (The)	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	William Steiner	43.8%	55.6%	0.5%	38.9%	49.5%	0.5%	4.3%
TJX Companies Inc. (The)	Compensation - Adopt Share Retention Policy For Senior Executives	Comptroller of the State of New York	29.0%	70.8%	0.2%	24.1%	58.8%	0.2%	5.4%
T-Mobile US Inc.	Compensation - Limit Accelerated Vesting of Equity Awards Upon a Change in Control	CiW Investment Group	11.6%	88.2%	0.1%	10.9%	82.6%	0.1%	2.8%
Truist Financial Corporation	Require Independent Board Chairman	Kenneth Steiner	44.6%	54.8%	0.7%	35.0%	42.9%	0.5%	11.1%
Tyson Foods Inc.	Compensation - Adopt Share Retention Policy For Senior Executives	Not Disclosed	6.7%	93.2%	0.0%	6.3%	87.2%	0.0%	2.2%
Union Pacific Corporation	Require Independent Board Chairman	John Chevedden	27.7%	68.6%	3.7%	20.8%	51.5%	2.8%	11.1%
United Airlines Holdings, Inc.	Provide Right to Act by Written Consent	John Chevedden	24.1%	75.3%	0.6%	17.5%	54.6%	0.4%	16.3%
United Parcel Service Inc.	Approve Recapitalization Plan for all Stock to Have One-vote per Share	John Chevedden	28.9%	69.4%	1.6%	19.3%	46.3%	1.1%	5.5%
United Rentals Inc.	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Not Disclosed	4.5%	95.0%	0.5%	3.4%	71.6%	0.3%	11.5%

FIGURE 4

Governance Proposals Voting Results by Company, 2020

Company	Proposal	Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
UnitedHealth Group Incorporated	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	2.2%	97.0%	0.8%	1.8%	81.0%	0.6%	7.2%
Valley National Bancorp	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Kenneth Steiner	29.3%	69.7%	1.0%	20.8%	49.4%	0.7%	17.9%
Vector Group Ltd.	Proxy Access Right - Adopt	Kenneth Steiner	18.9%	80.3%	0.8%	13.5%	57.5%	0.6%	18.9%
Verisign Inc.	Provide Right to Act by Written Consent	John Chevedden	43.3%	56.0%	0.7%	35.9%	46.5%	0.6%	5.7%
Verizon Communications Inc.	Compensation - Shareholder Proposal Regarding Executive Deferral Plan	Association of BellTel Retirees Inc.	30.6%	68.0%	1.4%	21.1%	46.8%	1.0%	16.7%
Verizon Communications Inc.	Compensation - Shareholder Proposal Regarding Severance Approval Policy	Jack K. and Ilene Cohen	43.1%	56.0%	0.9%	29.6%	38.5%	0.6%	16.7%
Verizon Communications Inc.	Compensation (Social Issues) - Assess Feasibility of Data Privacy as a Performance Measure for Senior Executive Compensation	Trillium Asset Management Corp.	30.5%	68.0%	1.5%	21.0%	46.8%	1.0%	16.7%
Verizon Communications Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Not Disclosed	51.8%	47.3%	0.9%	35.6%	32.5%	0.6%	16.7%
Walgreens Boots Alliance Inc	Require Independent Board Chairman	Kenneth Steiner	38.0%	61.5%	0.5%	28.9%	46.8%	0.4%	12.1%
Walgreens Boots Alliance Inc	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	John Chevedden	39.0%	60.5%	0.6%	29.7%	46.0%	0.4%	12.1%
Walmart Inc	Board Related - Adopt Policy to Include Hourly Associates as Director Candidates	Cynthia Murray	1.9%	97.9%	0.2%	1.6%	82.2%	0.2%	7.7%
Wells Fargo & Company	Bylaws - Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	John Chevedden	3.2%	95.5%	1.3%	2.4%	72.6%	1.0%	9.8%
Wells Fargo & Company	Compensation - Report on Incentive-Based Compensation and Risks of Material Losses	Comptroller of the State of New York	23.1%	75.7%	1.2%	17.5%	57.6%	0.9%	9.8%
XPO Logistics Inc.	Compensation - Shareholder Proposal Regarding Compensation in the Event of a Change in Control	CtW Investment Group	15.9%	82.9%	1.2%	13.2%	68.9%	1.0%	9.1%
XPO Logistics Inc.	Compensation (Social Issues) - Shareholder Proposal Regarding Report on Linking Executive Compensation to ESG Metrics	Comptroller of the State of New York	19.7%	75.8%	4.5%	16.4%	62.9%	3.7%	9.1%
XPO Logistics Inc.	Require Independent Board Chairman	International Brotherhood of Teamsters	19.0%	79.9%	1.1%	15.8%	66.3%	0.9%	9.1%
Xylem Inc.	Special Meetings - Reduce Ownership Threshold for Shareholders to Call Special Meeting	Not Disclosed	41.4%	58.3%	0.2%	33.2%	46.7%	0.2%	6.4%

FIGURE 5

Governance Proposals Voted Upon by Type, 2020

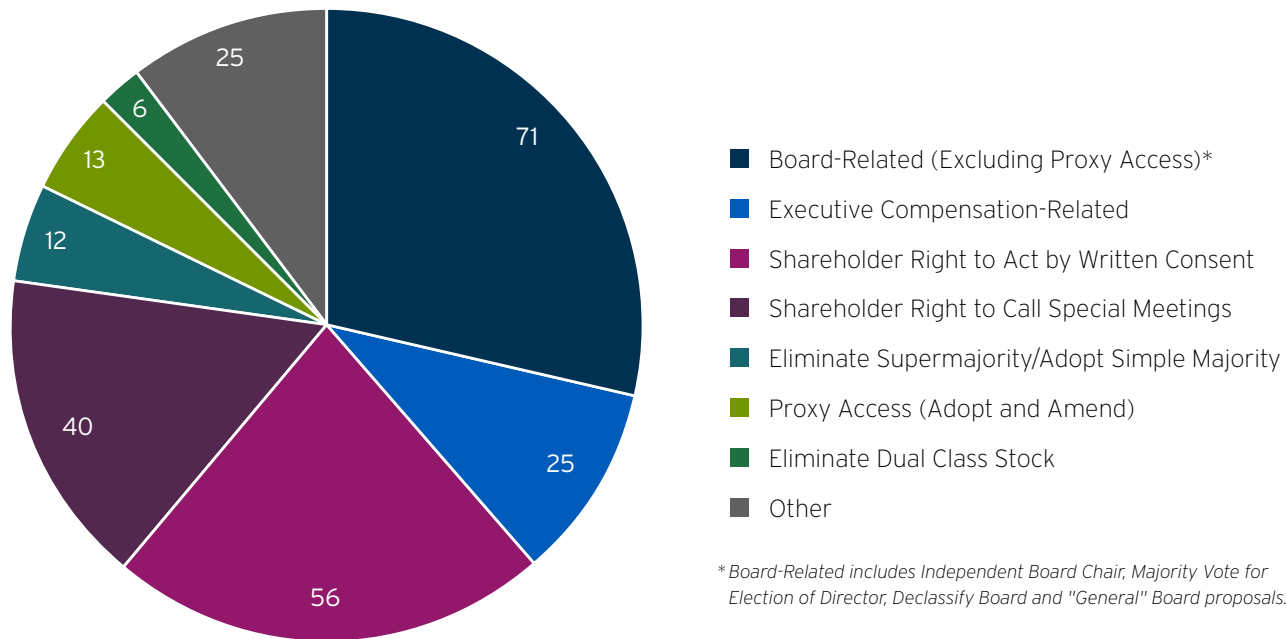
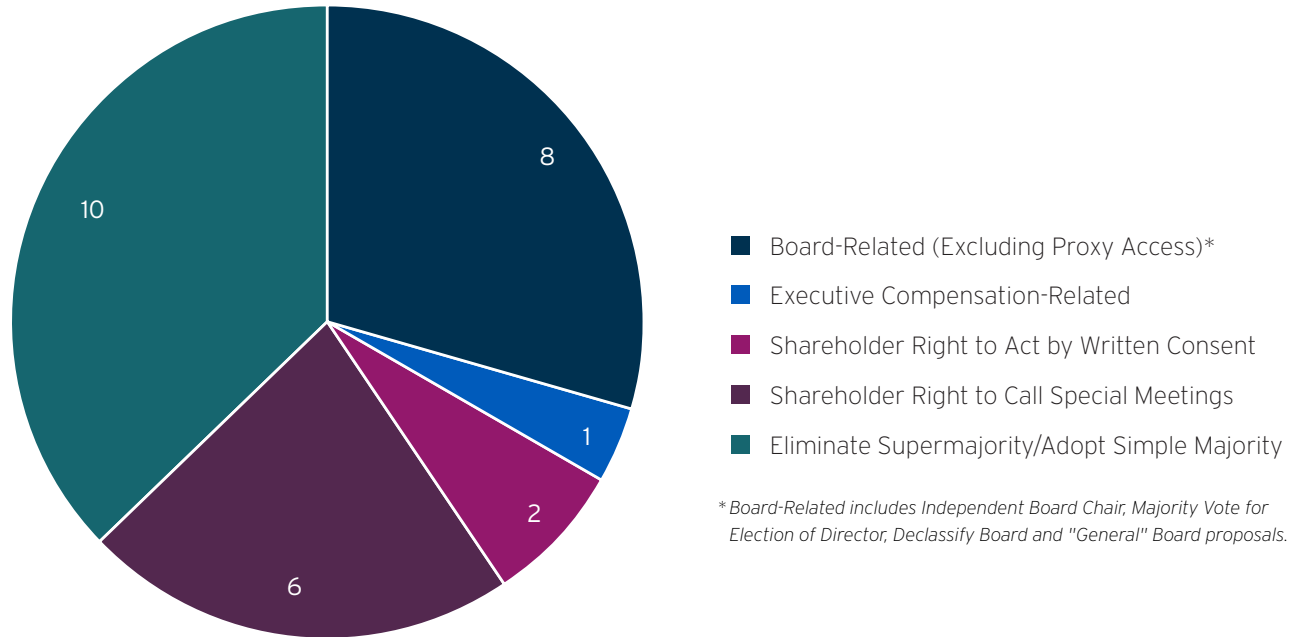


FIGURE 6

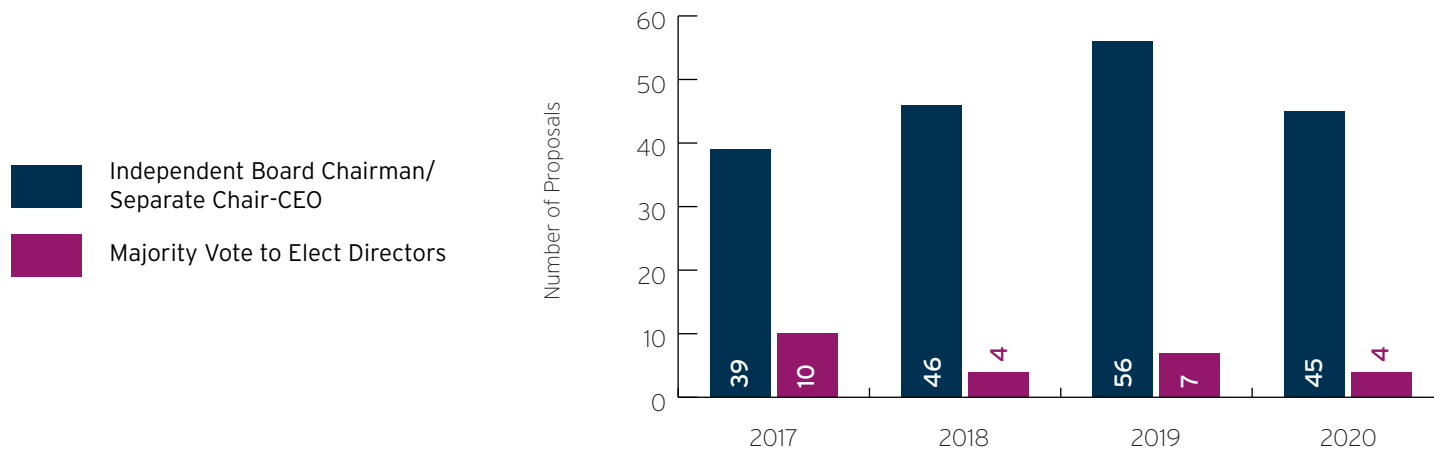
Passing Governance Proposals, 2020



* Board-Related includes Independent Board Chair, Majority Vote for Election of Director, Declassify Board and "General" Board proposals.

FIGURE 7

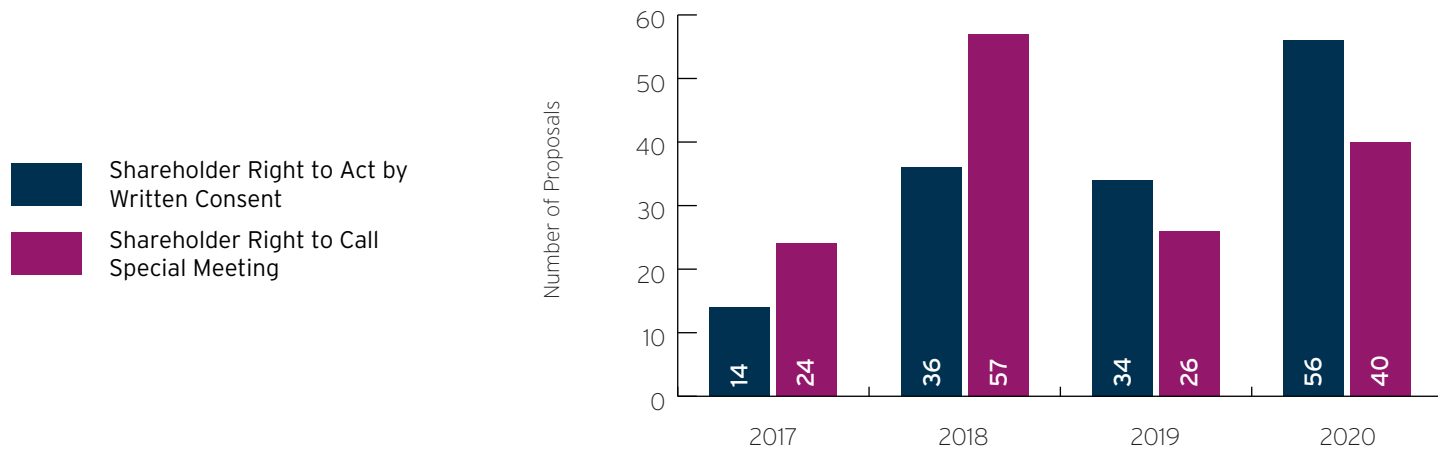
Proposals Voted Upon Relating to Board Issues, 2017-2020



	Average % of Shareholder Support			
	2017	2018	2019	2020
Independent Board Chairman / Separate Chair-CEO	30%	32%	29%	34%
Majority Vote to Elect Directors	54%	62%	57%	22%

FIGURE 8

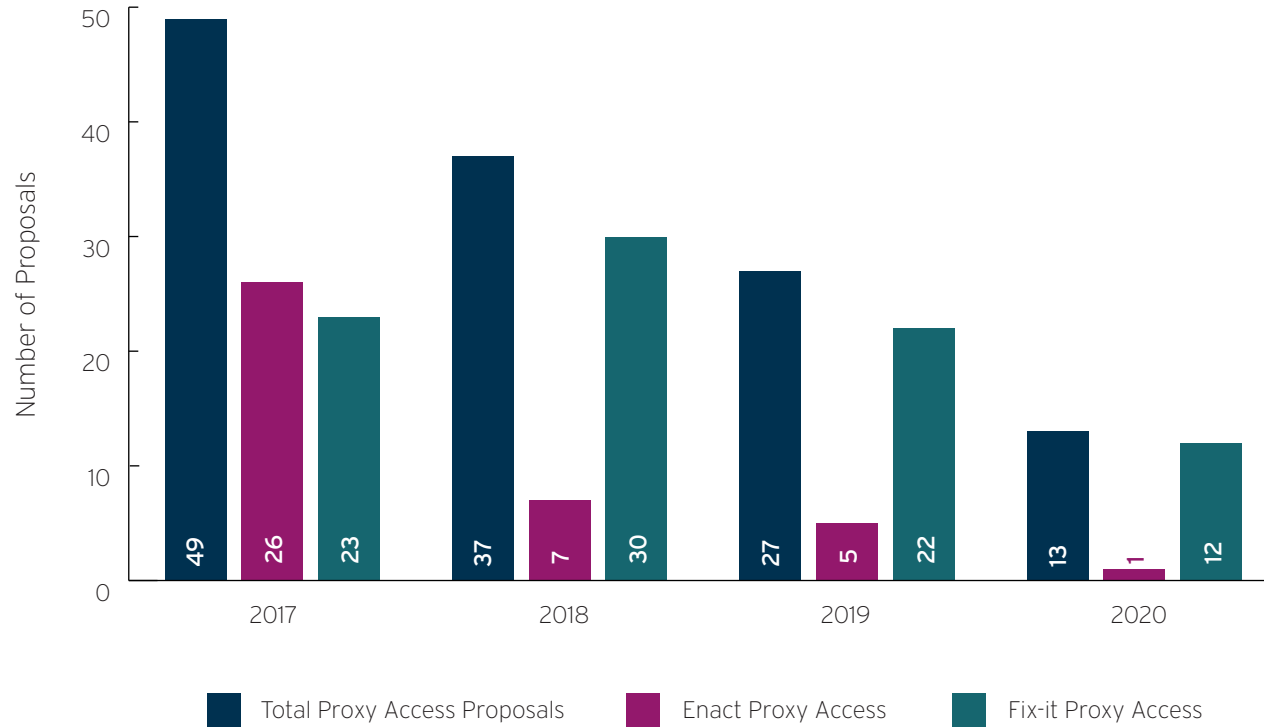
Proposals Voted Upon Relating to Shareholder Rights, 2017-2020



	Average % of Shareholder Support			
	2017	2018	2019	2020
Shareholder Right to Act by Written Consent	45%	42%	39%	35%
Shareholder Right to Call Special Meeting	42%	40%	43%	42%

FIGURE 9

Proposals Voted Upon Relating to Proxy Access, 2017-2020



	2017			2018			2019			2020		
	Passed	Failed	Average Support	Passed	Failed	Average Support	Passed	Failed	Average Support	Passed	Failed	Average Support
Total Proposals	19	30	45.4%	4	33	33.0%	3	24	33.0%	0	13	33.0%
- Enact Proposals	19	7	60.4%	4	3	56.4%	3	2	41.0%	0	1	18.9%
- Fix-it Proposals	0	23	28.5%	0	30	27.5%	0	22	22.0%	0	12	30.1%

FIGURE 10

Sponsorship of Governance Proposals, 2017-2020

	2017	2018	2019	2020
Labor Unions (6.0%*)	25	28	20	15
Amalgamated Bank (LongView Fund)	1	0	0	0
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)	2	7	3	2
Association of BellTel Retirees Inc.	1	1	1	1
CTW Investment Group	1	0	1	2
Indiana Laborers' Pension Fund	0	1	0	0
International Brotherhood of DuPont Workers	0	0	0	2
International Brotherhood of Electrical Workers (IBEW)	3	1	0	0
International Brotherhood of Teamsters (TEAMSTERS)	7	11	7	6
Laborers District Council & Contractors Pension Fund of OH	0	1	0	0
Reserve Fund of the American Federation of Labor and Congress of Industrial Organizations	1	0	0	0
Service Employees International Union (SEIU Master Trust)	1	2	1	1
Sheet Metal Workers' National Pension Fund	1	0	0	0
Southwest Regional Council of Carpenters Pension Fund	1	1	0	0
TROWEL TRADES (LARGE CAP EQUITY INDEX FUND)	1	2	0	0
UNITE HERE	1	1	5	0
United Auto Workers (UAW)	3	0	1	1
United Media Guild	1	0	0	0
United Steelworkers Union	0	0	1	0
Public Pensions (4.8%*)	27	14	15	12
California Public Employees' Retirement System (CalPERS)	1	1	3	1
California State Teachers' Retirement System (CalSTRS)	7	2	0	0
City of Philadelphia Public Employees Retirement System (PhiPERS)	0	1	2	0
Connecticut Retirement Plans & Trust Funds	0	2	1	0
New York City Pension Funds/Comptroller of the City of New York	17	5	4	5
New York State Common Retirement Fund/Comptroller of the State of New York	2	2	3	4
Rhode Island Employees' Retirement Systems Pooled Trust	0	0	1	1
Vermont Office of the State Treasurer	0	1	1	1
Religious Organizations (3.2%*)	7	8	6	8
American Baptist Home Mission Society	0	0	1	0
Congregation of Sisters of St. Agnes	1	0	0	0
Daughters of Charity, Inc. (St. Louis Province)	0	0	0	1
Episcopal Church (The Domestic and Foreign Missionary Society of the Protestant Episcopal Church)	0	1	1	0
Interfaith Center on Corporate Responsibility	0	3	0	0
Mercy Investment Services	0	2	0	1
Nathan Cummings Foundation	1	1	1	1
Province of St. Joseph of the Capuchin Order	0	0	1	0
Seattle Mennonite Church	1	0	0	0
Sisters of St. Francis of Philadelphia	3	1	1	2
Unitarian Universalist Association	1	0	0	0
United Church Funds	0	0	1	3
Other Shareholder Groups (10.5%*)	23	23	27	26
Appaloosa LP	0	0	1	0
Arjuna Capital	0	0	1	2
As You Sow Foundation	0	1	1	1
AVGO	0	1	0	0
Carlson School Growth Fund LLC/Carlson School of Management	0	0	0	1
Clean Yield Asset Management	1	1	0	0
Comerica Bank & Trust	0	1	0	0
Dana Investment Advisors	0	1	0	0
Equality Network Foundation	4	0	0	0
GAMCO Asset Management Inc.	0	3	0	2
Greenlight Capital Inc.	2	0	0	0
Harrington Investments, Inc. / John C. Harrington	1	0	0	3
Heartland Initiative Inc.	1	0	0	0
Humane Society of the United States	3	1	0	0
Investor Voice	1	0	2	0
JCP Investment Management, LLC	0	0	0	1
Other Shareholder Groups (continued)				
KBS Realty Advisors	0	1	0	0
Kestrel Foundation	0	1	1	0
Land & Buildings Capital Growth Fund, LP	0	1	0	0
Marcato Capital Management LP	0	1	0	0
Marco Consulting Group Trust	2	0	0	0
Mercy For Animals	1	0	0	0
Needmor Fund	1	0	0	0
Newground Social Investment	0	0	1	1
Northstar Asset Management Funded Pension Plan	1	1	2	8
Organization United for Respect	1	0	0	0
Oxfam America Inc.	0	0	2	1
Pershing Square Holdings, Ltd.	0	1	0	0
Roaring Blue Lion Capital Management, L.P.	0	0	2	0
Sonen Capital	1	0	0	0
Sum of Us	1	0	6	0
Sustainability Group of Loring, Wolcott & Coolidge	0	0	1	1
The Stephen M. Silberstein Revocable Trust	2	0	0	0
Triam Partners	0	1	0	0
Trillium Asset Management Corp.	0	1	3	2
Trinity Health	0	1	2	1
Voce Capital Management	0	1	0	0
Zevin Asset Management	0	4	2	2
Individual Shareholders (63.7%*)	125	183	165	158
Not Disclosed (11.7%*)	14	10	3	29
Total	221	266	236	248

* Percentages denote the total share of governance-related proposals sponsored by this type of investor this past year.

Environmental and Social Shareholder Sponsored Proposals

The number of E&S proposals submitted was marginally higher than the number of governance proposals this year. Notably, comparing the number of proposals submitted to those voted, while overall shareholder E&S proposal submissions continued their downward trend, the number of proposals voted on increased year-over-year which is consistent with our earlier observation that overall withdrawals decreased this season.

While average support for E&S proposals was relatively steady compared to the prior season, support has increased significantly since 2017 as reflected in Figure 14. Looking beyond average support however, there was also a material shift in the number of proposals that passed during the 2020 season – 18 proposals received majority support representing approximately 11% of E&S proposals voted on. That is more than double the passage rate seen in the 2019 season and almost four times the passage rate experienced during the 2017 season.

ENVIRONMENTAL PROPOSALS

As illustrated in Figures 18 and 19, support for all environmental-related proposals, except “other climate-related proposals” (i.e., those not specifically focused on GHG emissions) increased in the 2020 season. The decrease in support for “other climate-related” proposals was significantly driven by two anti-climate proposals submitted at XCEL Energy and Exxon Mobil that received minimal support of 3.3% and 4.1% respectively. Excluding those proposals, support for these proposals increased as well from 30% in 2019 to 31.9% during 2020. Given the increasing urgency within society to address climate change, we expect these support levels will only continue to rise in the 2021 proxy season.

14 proposals primarily focused on climate change¹ reached a vote, and three² received majority support:

- › J.B. Hunt Transport Services, Inc., where a proposal seeking a report describing if and how the company plans to reduce its contribution to climate change and align its operations with Paris Agreement goals received 54.3% support
- › Dollar Tree, Inc., where a proposal seeking reporting on GHG reduction goals and on how the company is aligning its long-term business strategy with the projected long-term constraints posed by climate change received 70.7% support
- › Chevron, where a proposal seeking reporting on climate lobbying aligned with Paris Agreement goals received 53.5% support³

An additional two proposals receiving majority support, captured within the environmental and sustainability categories shown in Figure 15, also included climate-related elements:

- › Phillips 66, where a proposal seeking a report assessing the public health risks of expanding petrochemical operations and investments in areas increasingly prone to climate change-induced storms, flooding and sea level rise received 53.9% support
- › Enphase Energy, where a proposal seeking a report on the company's ESG performance – specifically citing wastewater reduction targets and product-related environmental impacts as topics that potentially pose significant risks to the company received 51.8% support

Phillips 66 and Chevron are two of the 161 companies targeted by the Climate Action 100+ investor initiative focused on climate change,

which continued to gain momentum this proxy season. Notably, in line with BlackRock's vocal focus on climate change this season, it became a Climate Action 100+ signatory in January 2020.

The volume of climate-related proposals receiving majority support returned to the level seen during the 2018 season after no such proposals passed during the 2019 season. BlackRock and Vanguard have already disclosed certain voting decisions demonstrating that both are voting in favor of these resolutions with increased frequency at companies where they have concerns around the company's management of climate risk.

To be clear, BlackRock and Vanguard are certainly not the asset managers most frequently voting in favor of climate-related proposals, but they merit highlighting both because of their significant ownership positions within the S&P 1500 (and more broadly across the U.S. equity markets) and because they have been and continue to be criticized for not doing enough to address climate matters. We expect that as these firms take further voting action at future meetings, support for these proposals will continue to increase. Part II of the Annual Corporate Governance Review will provide further analysis of institutions' voting decisions on these proposals.

In addition to majority supported shareholder proposals, significant activity surrounding climate change during the 2020 proxy season took place outside of the four corners of a proxy ballot. A review of withdrawn proposals shows nearly 40 environmentally-focused proposals where presumably the subject company and the proponent reached an agreement on the subject matter of the proposal. One company falling into this category – Southern Company – had a withdrawn proposal seeking climate change

risk reporting from Climate Action 100+ participant As You Sow. At its recent annual meeting, Southern Company announced committing to a 2050 net-zero carbon emissions target consistent with the position advocated by Climate Action 100+.

SOCIAL PROPOSALS

Across the 359 E&S shareholder proposal submissions, a wide range of social topics were addressed during the 2020 season including human capital management issues such as workforce diversity, gender and racial pay equity, sexual harassment, human rights, board diversity and political contributions and lobbying expenditures. As shown in Figure 15, workforce diversity and political contributions proposals had the highest number of passages with four proposals for each category.

BOARD DIVERSITY

Proponents filed 35 proposals addressing board diversity, eight of which were voted upon. This year, almost half (17) of these proposals were submitted by the New York City Comptroller's Office as part of its Boardroom Accountability 3.0 campaign, which focused on the implementation of policies requiring the consideration of qualified women and racially/ethnically diverse candidates for director and external CEO searches.⁴ The Comptroller's proposed policy is referred to as the Rooney Rule, borrowed from the NFL, which requires teams to interview minority candidates for front office positions. 13 of the proposals were withdrawn prior to reaching a vote and one received majority support – at Expeditors International of Washington, Inc. Two of the focus companies – Arthur J. Gallagher and PACCAR – implemented policies addressing only the director search prong of the Comptroller's proposal. PACCAR subsequently successfully

received no-action relief from the SEC to exclude the proposal. However, the proposal went to a vote at A.J. Gallagher receiving just over 24% support. The fourth proposal, at Berkshire Hathaway did not receive meaningful support given company's significant insider ownership. While not passing, one additional proposal filed by Trillium Asset Management focused on management diversity at IPG Photonics Corporation received nearly 45% support. That proposal requested a report assessing the current state of IPG management's diversity and how it plans to make the management team more diverse in terms of race, ethnicity, and gender. While not specifically seeking implementation of a Rooney Rule policy, the proposal suggested inclusion of disclosure regarding the company's use of Rooney Rule practices when interviewing for open positions.

These results demonstrate that, during the 2020 season, the absence of any policy at a target company was heavily scrutinized by investors. However, extrapolating from the results at A.J. Gallagher as compared to those at Expeditors International, diverse candidate pools at the C-suite level appear to have been lower priority to investors than in the boardroom. We expect many companies may face increasing pressure to extend director search policies to CEOs considering the results of the Comptroller's campaign and the current social climate. We also note that the Comptroller's Office is not the only shareholder focusing on the implementation of Rooney Rule policies. The Midwest Investors Diversity Initiative, a 14-member alliance co-led by the Illinois State Treasurer's Office and Segal Marco Advisors, recently announced that it obtained commitments from 32 companies to adopt Rooney Rule policies for every open board seat through engagements over the past four years.

The vast majority of these proposals reached a vote prior to George Floyd's death and the resulting societal focus on racial inequality and systemic racism. Accordingly, we expect the submission, and passage, of proposals focused on diversity, equity and inclusion will likely accelerate in the 2021 proxy season. Indeed, the New York City Comptroller's Office in July announced a letter writing campaign focused on 67 S&P 100 companies who issued supportive statements on racial equality, asking that they publicly disclose the composition of their workforce by race, ethnicity and gender. Other proponents such as Trillium, Calvert and the Interfaith Center for Corporate Responsibility have also been focused on this topic. BlackRock indicated in a June announcement outlining its strategy for racial equity and inclusion, that it will be "refreshing" its expectations regarding companies' management and disclosure of human capital issues and sustainable social practices.

WORKFORCE DIVERSITY

36 proposals submitted during the 2020 proxy season addressed workforce diversity and inclusion. 12 of these proposals reached a vote, with four receiving majority support – at Fortinet, Inc., Fastenal Company, Genuine Parts Company and O'Reilly Automotive, Inc. The Fortinet proposal represented a new approach to this topic seeking a report assessing the company's diversity and inclusion efforts, including the board's (i) process for assessing the effectiveness of its diversity and inclusion programs, and (ii) assessment of program effectiveness. The other proposals all specifically sought reporting on the diversity of the respective company's workforce based on gender and the Employer Information Report EEO-1 racial and ethnic categories. In the case of Genuine Parts and O'Reilly Automotive, the

proposals also requested broader reporting on policies, performance and improvement targets (taking into account SASB-aligned metrics) related to material human capital risks and opportunities.

Also focused on the topic of board and workforce diversity, the National Center for Public Policy Research, a conservative think tank, this season submitted nine proposals relating to “ideological” diversity. Three of these proposals reached a vote, receiving support ranging from 1% to 1.6%.

GENDER AND RACIAL PAY DISPARITY

Consistent with 2019 proposals, the majority of pay gap proposals voted upon in 2020 focused on reporting of unadjusted pay gaps, aimed at addressing not just whether equal pay exists but also equal opportunity, rather than information adjusted for seniority, geography and other factors. At least 7 of the 17 proposals voted upon this season were filed or co-filed by Arjuna Capital, which expanded its request this season to seek information on both gender and racial pay gaps, rather than gender pay gaps alone. Likely as a result of this shift in focus, support for these proposals decreased significantly during 2020 from an average of 21% during 2019 to 14% during 2020. Specifically, ISS recommended voting in favor of only three of these proposals due to concerns regarding how a racial pay gap ratio would be calculated. In comparison, it recommended votes in favor for 13 of the pay gap proposals voted on during 2019.

Voluntary agreements to publicly disclose unadjusted pay gap information continued to be rare during 2020, with only two companies agreeing to do so – MasterCard and Starbucks. In light of the current social climate, this may be another area ripe for expanded focus during the 2021 proxy season.

In 2020 six employment-related mandatory arbitration proposals were submitted (a slight increase from the five submitted during 2019). Two of these proposals reached a vote, and while ISS recommended votes in favor of both proposals and support for the proposals differed substantially, with one receiving majority support of 51% at Chipotle and the other, at Alphabet, receiving just over 16% support. This disparity can be accounted for in part due to Alphabet’s dual class structure.

LOBBYING AND POLITICAL CONTRIBUTIONS

During the 2020 proxy season proposals submitted seeking reporting on lobbying and political contributions decreased to 76, as compared to 101 in 2019. While the number of political contributions proposals decreased notably, the number of lobbying proposals increased slightly. Figure 17 illustrates the number of each of these proposals that reached a vote between 2017 and 2020. Part II of the Annual Corporate Governance Review will provide further analysis of institutions’ voting decisions on these proposals.

¹ This number does not include the proposal Chevron Corporation received relating to establishment of a board committee on climate risk, which we have categorized as a board-related governance proposal.

² A fourth proposal outside of the S&P 1500 also passed at Ovintiv, Inc. with 56.4% support, which sought disclosure of the company’s climate-related targets, risks and opportunities aligned with Paris Agreement goals.

³ Our data counts abstentions as against votes. Chevron’s voting requirement did not count abstentions as against votes, so even though the climate change proposal received less than 50% as shown in Figure 12, the proposal passed with 53.5% support per Chevron’s voting standard.

⁴ The New York City Comptroller’s Office was the primary proponent of 14 board diversity proposals, and the co-sponsor of an additional three.

FIGURE 11

Sponsorship of Environmental and Social Proposals, 2017-2020

	2017	2018	2019	2020
Labor Unions (9.3%*)	12	12	16	15
Amalgamated Bank (LongView Fund)	3	1	2	0
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)	4	2	3	1
CTW Investment Group	1	0	0	0
International Brotherhood of DuPont Workers	1	0	1	0
International Brotherhood of Teamsters (TEAMSTERS)	2	5	5	4
Service Employees International Union (SEIU Master Trust)	0	0	1	7
Trowel Trades (Large Cap Equity Index Fund)	1	0	0	0
UNITE HERE	0	1	2	0
United Auto Workers (UAW)	0	1	1	0
United Steelworkers Union	0	2	1	3

	2017	2018	2019	2020
Public Pensions (6.8%*)	33	28	20	11
California State Teachers' Retirement System (CalSTRS)	1	0	0	0
City of Philadelphia Public Employees Retirement System (PhiPERS)	2	0	0	1
Connecticut Retirement Plans & Trust Funds	1	0	0	0
New York City Pension Funds/Comptroller of the City of New York	3	9	8	6
New York State Common Retirement Fund/Comptroller of the State of New York	25	18	11	4
Rhode Island Employees' Retirement Systems Pooled Trust	1	1	0	0
Vermont Office of the State Treasurer	0	0	1	0

	2017	2018	2019	2020
Religious Organizations (20.4%*)	40	24	37	33
American Baptist Home Mission Society	0	0	1	1
Azzad Asset Management	1	2	0	0
Benedictine Sisters	2	2	1	0
Catholic United Investment Trust	0	0	1	0
Congregation of Sisters of St. Agnes	1	0	0	1
Congregation of Divine Providence	0	0	0	1
Congregation of Benedictine Sisters	0	0	0	1
Daughters of Charity Inc.	0	0	1	0
Episcopal Church (The Domestic and Foreign Missionary Society of the Protestant Episcopal Church)	0	0	1	0
Friends Fiduciary Corporation	1	2	2	9
Holy Land Principles Inc.	13	0	0	0
Interfaith Center on Corporate Responsibility	0	0	2	0
JLenz Investor Network	0	0	1	1
Maryknoll Sisters	0	0	1	0
Mercy Investment Services	10	4	9	3
Missionary Oblates of Mary Immaculate	0	1	0	1
Nathan Cummings Foundation	5	2	3	3
Northwest Women Religious Investment Trust	1	0	0	0
Presbyterian Church USA	1	0	0	2
Priests of the Sacred Heart	1	0	1	0
Province of St. Joseph of the Capuchin Order	1	0	1	1
School Sisters of Notre Dame	0	1	0	1
Sisters of St. Dominic, New Jersey	1	0	2	2
Sisters of St. Francis of Philadelphia	1	2	2	2
Sisters of St. Joseph of Brentwood	0	0	2	0
Sisters of the Good Shepherd	0	0	0	1
Sisters of the Holy Names of Jesus and Mary	0	1	0	0
Sisters of the Presentation of the Blessed Virgin Mary	0	1	1	3
Unitarian Universalist Association	1	6	4	0
USA West Province of the Society of Jesus	0	0	1	0

FIGURE 11

Sponsorship of Environmental and Social Proposals, 2017-2020

	2017	2018	2019	2020
Other Shareholder Groups (40.7%*)	103	69	59	66
AECJ (Amazon Employees for Climate Justice)	0	0	0	1
Arjuna Capital	11	2	7	8
As You Sow Foundation	16	13	8	9
As You Sow Foundation/Lutra Living Trust	0	0	0	1
BNP Paribas	0	0	0	3
Boston Common Asset Management	1	1	2	0
Bright Start College Savings Trust	0	0	0	1
Burn More Coal	0	0	1	0
Calvert Asset Management	6	0	0	0
Calvert Research Management	1	1	0	0
Clean Yield Asset Management	3	0	1	1
Domini Social Investments	5	2	1	0
First Affirmative Financial	3	0	0	0
Fonds de Solidarite	1	0	0	1
GAMCO Asset Management Inc.	0	1	0	0
Green Century Capital Management	3	1	2	3
Harrington Investments/John Harrington	2	3	2	4
Heartland Initiative Inc.	1	1	0	0
Humane Society of the United States	1	1	0	0
Investor Voice	0	0	1	0
Investors Against Genocide	0	1	0	0
Jantz Management LLC	0	1	1	1
Loring, Wolcott & Coolidge	1	1	0	0
Miller Howard Investments	1	1	0	0
National Center of Public Policy Research	6	2	8	3
National Legal and Policy Center	0	0	2	0
Nebraska Peace Foundation	1	0	0	0
Needmor Fund	4	0	0	0
Newground Social Investment	0	2	0	3
NewsGuild	0	0	0	1
Nia Impact Capital	0	0	0	1

	2017	2018	2019	2020
Other Shareholder Groups (continued)				
Northstar Asset Management Funded Pension Plan	5	7	4	0
Oneida Trust	2	0	0	1
Organization United for Respect	1	1	0	0
Oxfam America Inc	0	0	0	4
Park Foundation	0	2	0	0
Pax World Funds	0	2	1	1
People for the Ethical Treatment of Animals (PETA)	2	1	0	1
Portfolio 21 Global Equity Fund	1	0	0	0
Proxy Impact	0	0	2	4
Renew Missouri	1	0	0	0
Sierra Club	1	0	0	0
Sonen Capital	0	0	1	0
Sum of Us	1	0	3	1
Sustainvest Asset Management	1	0	0	0
Swift Foundation	0	0	1	0
Trillium Asset Management Corp.	7	10	6	7
Trinity Health	0	1	1	1
Tri-State Coalition for Responsible Investment	1	0	0	0
Walden Asset Management	8	6	2	0
Walden Asset Management / Boston Trust	0	0	0	2
Zevin Asset Management	5	5	2	3
The Stephen M. Silberstein Revocable Trust	2	0	0	0
Triam Partners	0	1	0	0
Trillium Asset Management Corp.	0	1	3	2
Trinity Health	0	1	2	1
Voce Capital Management	0	1	0	0
Zevin Asset Management	0	4	2	2
Individual Shareholders (16.0%*)	13	14	25	26
Not Disclosed (6.8%*)	10	3	3	11
Total	211	150	160	162

* Percentages denote the total share of environmental and social-related proposals sponsored by this type of investor this past year.

FIGURE 12

Environmental and Social Proposals Voting Results by Company, 2020

Company	Proposal	Primary Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
3M Company	Report on Pay Disparity	United Steelworkers	10.8%	86.3%	3.0%	7.1%	56.9%	2.0%	16.9%
Abbott Laboratories	Report on Lobbying Payments and Policy	Unitarian Universalist Association of Congregations	19.7%	79.7%	0.6%	15.2%	61.4%	0.5%	11.7%
AbbVie Inc.	Report on Lobbying Payments and Policy	Zevin Asset Management	29.3%	69.3%	1.3%	20.7%	48.9%	0.9%	17.0%
Activision Blizzard, Inc	Report on Political Contributions	James McRitchie	56.2%	39.8%	4.0%	46.4%	32.8%	3.3%	5.8%
Adobe Inc.	Gender/Racial Pay Gap - Report on Gender Pay Gap	Arjuna Capital / Adam D. Seitchik	12.4%	86.6%	1.0%	9.9%	68.9%	0.8%	8.0%
Alaska Air Group Inc.	Report on Lobbying Payments and Policy	Service Employees International Union General Fund (SEIU)	50.9%	46.5%	2.7%	39.9%	36.4%	2.1%	10.6%
Alaska Air Group Inc.	Report on Political Contributions	John Chevedden	41.0%	56.4%	2.6%	32.1%	44.2%	2.1%	10.6%
Alphabet Inc	Gender/Racial Pay Gap - Report on Gender/Racial Pay Gap	Proxy Impact	4.8%	94.8%	0.3%	4.0%	78.4%	0.3%	3.9%
Alphabet Inc	Human Rights - Report on Whistleblower Policies and Practices	Trillium Asset Management Corp.	4.9%	94.7%	0.4%	4.1%	78.3%	0.3%	3.9%
Alphabet Inc	Social/Arbitration - Report on Arbitration of Employment-Related Claims	Not Disclosed	16.1%	83.6%	0.3%	13.3%	69.1%	0.3%	3.9%
Alphabet Inc	Social/General - Report on Takedown Requests	Monasterio Pan de Vida	11.4%	88.3%	0.3%	9.4%	73.0%	0.3%	3.9%
Altria Group	Report on Lobbying Payments and Policy	Trinity Health	30.7%	67.7%	1.6%	20.5%	45.1%	1.1%	19.8%
Altria Group	Report on Underage Tobacco Prevention Policies	Sisters of St. Francis of Philadelphia	35.6%	61.6%	2.8%	23.7%	41.1%	1.9%	19.8%
Amazon.com Inc.	Environment - Report on Management of Food Waste	JLens Investor Network	31.7%	67.1%	1.2%	23.5%	49.7%	0.9%	13.0%
Amazon.com Inc.	Environment - Report on Reducing Environmental and Health Harms to Communities of Color	AECJ (Amazon Employees for Climate Justice)	6.1%	93.0%	0.9%	4.5%	68.8%	0.7%	13.0%
Amazon.com Inc.	Gender/Racial Pay Gap - Report on Global Median Gender/Racial Pay Gap	Arjuna Capital / Adam D. Seitchik	15.2%	84.0%	0.9%	11.2%	62.1%	0.7%	13.0%
Amazon.com Inc.	Human Rights - Human Rights Risk Assessment	Zevin Asset Management	30.0%	66.6%	3.4%	22.2%	49.3%	2.5%	13.0%
Amazon.com Inc.	Human Rights - Report on Potential Customer Misuse of Certain Technologies (Facial Recognition System (Rekognition))	International Brotherhood of Teamsters	31.7%	67.5%	0.8%	23.5%	49.9%	0.6%	13.0%
Amazon.com Inc.	Labor - Report on Promotion Velocity	Not Disclosed	12.1%	86.8%	1.1%	8.9%	64.2%	0.8%	13.0%
Amazon.com Inc.	Report on EEO - Report on Viewpoint Discrimination	Not Disclosed	1.5%	97.7%	0.8%	1.1%	72.3%	0.6%	13.0%
Amazon.com Inc.	Report on Lobbying Payments and Policy	Newground Social Investment	29.9%	69.5%	0.6%	22.1%	51.5%	0.4%	13.0%
Amazon.com Inc.	Social/General - Report on Customer Use of Certain Technologies	Unitarian Universalist Association of Congregations	31.8%	67.4%	0.8%	23.5%	49.8%	0.6%	13.0%
Amazon.com Inc.	Social/General - Report on Products Promoting Hate Speech and Sales of Offensive Products	Nathan Cummings Foundation	34.6%	64.5%	0.8%	25.6%	47.7%	0.6%	13.0%
American Airlines Group Inc.	Report on Political Contributions	Not Disclosed	34.7%	64.7%	0.7%	14.0%	26.2%	0.3%	39.0%
American Express Company	Gender/Racial Pay Gap - Report on Gender/Racial Pay Gap	Arjuna Capital / Adam D. Seitchik	8.3%	87.8%	3.9%	6.7%	70.6%	3.2%	8.4%
American Tower Corporation	Report on Political Contributions	Myra K. Young	36.8%	62.8%	0.4%	31.3%	53.5%	0.3%	5.4%
Apple Inc.	Human Rights - Report on Freedom of Expression and Access to Information Policies	Maxwell, Susan / Schentag, Glenn / Perk, Jeffrey / Adams, David / Hawkins, Mary / Brown, Georgia Lynn / Richard D. Hausman Revocable Trust / Koslyn, Pamela / Whitford, Rhee / Appell, Joseph / Austin, Neville / Gunilla, Karlen / Harrington, John C.	38.4%	56.1%	5.5%	22.9%	33.5%	3.3%	24.5%
Arthur J. Gallagher & Co.	Board Diversity - Adopt a Policy on Board Diversity	Comptroller of the City of New York	24.3%	75.1%	0.7%	19.4%	59.9%	0.5%	7.9%
Bank of America Corporation	Gender/Racial Pay Gap - Report on Gender Pay Gap	Lee E. Johnson	9.6%	88.9%	1.4%	6.9%	64.1%	1.0%	13.3%
Bank Of New York Mellon Corporation (The)	Gender/Racial Pay Gap - Report on Gender Pay Gap	Arjuna Capital / Adam D. Seitchik	7.5%	87.8%	4.7%	5.8%	68.2%	3.7%	7.4%

FIGURE 12

Environmental and Social Proposals Voting Results by Company, 2020

Company	Proposal	Primary Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Berkshire Hathaway Inc.	Board Diversity - Adopt a Policy on Board Diversity	Comptroller of the City of New York	12.3%	87.1%	0.7%	8.2%	58.6%	0.5%	0.0%
Bloomin' Brands Inc.	GHG Emissions - Report on Greenhouse Gas Emissions Disclosure	Green Century Capital Management, Inc.	26.4%	73.2%	0.4%	22.2%	61.6%	0.4%	7.4%
Boeing Company (The)	Board Diversity - Adopt a Policy on Board Diversity	Not Disclosed	13.0%	85.7%	1.3%	8.4%	55.2%	0.8%	19.4%
Boeing Company (The)	Report on Lobbying Payments and Policy	Midwest Capuchins	30.8%	64.0%	5.2%	19.8%	41.2%	3.3%	19.4%
Caterpillar Inc.	Report on Lobbying Payments and Policy	Fonds de solidarite des travailleurs du Quebec (FTQ)	33.1%	65.6%	1.4%	23.0%	45.6%	0.9%	17.3%
Centene Corporation	Report on Political Contributions	Friends Fiduciary Corporation	51.2%	48.5%	0.3%	44.8%	42.4%	0.3%	4.5%
Charles Schwab Corp/The	Report on EEO - Adopt Policy to Annually Disclose EEO-1 Data	Comptroller of the City of New York	42.2%	56.8%	1.0%	37.0%	49.8%	0.9%	2.6%
Charles Schwab Corp/The	Report on Lobbying Payments and Policy	Friends Fiduciary Corporation	34.6%	65.0%	0.4%	30.3%	57.0%	0.3%	2.6%
Chemed Corp.	Report on Political Contributions	John Chevedden	47.5%	51.1%	1.4%	40.1%	43.1%	1.2%	6.1%
Chevron Corporation	Climate Change - Report on Climate Lobbying Aligned with Paris Agreement Goals	BNP Paribas	49.3%*	42.9%	7.8%	33.1%	28.8%	5.2%	15.9%
Chevron Corporation	Health/Safety - Report on Petrochemical Risk	As You Sow	42.4%	49.8%	7.8%	28.5%	33.4%	5.2%	15.9%
Chevron Corporation	Human Rights - Report on Human Rights Practices	Sisters of St. Francis of Philadelphia	16.3%	81.4%	2.3%	10.9%	54.7%	1.6%	15.9%
Chevron Corporation	Report on Lobbying Payments and Policy	City of Philadelphia Board of Pensions and Retirement	28.1%	70.3%	1.6%	18.9%	47.2%	1.1%	15.9%
Chipotle Mexican Grill Inc.	Social/Arbitration - Report on Employment-Related Arbitration	Comptroller of the State of New York	50.5%	48.5%	0.9%	41.5%	39.9%	0.8%	7.3%
Cigna Corp	Gender/Racial Pay Gap - Report on Gender Pay Gap	Proxy Impact	20.8%	78.5%	0.7%	17.7%	66.8%	0.6%	5.5%
Cintas Corporation	Report on Political Contributions	International Brotherhood of Teamsters	32.2%	67.6%	0.2%	28.2%	59.2%	0.2%	4.9%
Citigroup Inc.	Report on Lobbying Payments and Policy	School Sisters of Notre Dame	15.0%	84.4%	0.6%	11.3%	63.2%	0.5%	9.6%
CMS Energy Corporation	Report on Political Contributions	Comptroller of the State of New York	34.8%	64.8%	0.5%	28.9%	53.8%	0.4%	5.2%
Coca-Cola Company (The)	Health/Safety - Report on the Health Impacts and Risks of Sugar in the Company's Products	Harrington Investments, Inc.	7.6%	91.0%	1.4%	5.7%	67.9%	1.0%	11.9%
Comcast Corporation	Report on Lobbying Payments and Policy	Friends Fiduciary Corporation	25.8%	72.0%	2.1%	22.4%	62.5%	1.8%	5.2%
Comcast Corporation	Social/Harassment - Report on Risks Posed by Failing to Prevent Sexual Harassment	Arjuna Capital / Adam D. Seitchik	13.0%	86.2%	0.8%	11.3%	74.8%	0.7%	5.2%
CorVel Corp.	Report on EEO - Issuance of a Public Report Detailing Risks Associated with Omitting "Sexual Orientation" and "Gender Identity" from Equal Employment Opportunity Policy	Boston Trust / Walden Asset Management	37.0%	61.9%	1.0%	32.8%	54.9%	0.9%	5.0%
Costco Wholesale Corporation	Board Diversity - Adopt a Policy on Board Diversity	Not Disclosed	1.4%	97.7%	0.9%	1.0%	65.6%	0.6%	14.1%
DaVita Inc	Report on Political Contributions	Friends Fiduciary Corporation	32.2%	66.8%	1.0%	27.4%	56.8%	0.8%	5.0%
Deere & Company	Board Diversity - Adopt a Policy on Board Diversity	Not Disclosed	1.1%	98.2%	0.6%	0.9%	74.9%	0.5%	12.1%
Delta Air Lines Inc.	Climate Change - Report on Climate Lobbying	BNP Paribas	45.6%	53.7%	0.7%	22.4%	26.4%	0.4%	28.2%
Delta Air Lines Inc.	Report on Political Contributions	Friends Fiduciary Corporation	45.7%	53.6%	0.7%	22.5%	26.4%	0.3%	28.2%
Delta Air Lines Inc.	Social/Harassment - Report on Sexual Harassment Policy	Service Employees International Union General Fund (SEIU)	32.0%	67.0%	1.0%	15.7%	32.9%	0.5%	28.2%
Dollar Tree Inc.	GHG Emissions - Report on Greenhouse Gas Emissions Goals	Jantz Management LLC	70.7%	25.5%	3.9%	60.5%	21.8%	3.3%	4.3%
DTE Energy Company	Report on Political Contributions	Mercy Investment Services	34.1%	59.4%	6.5%	23.8%	41.4%	4.5%	11.4%
Duke Energy Corporation	Report on Lobbying Payments and Policy	Presbyterian Church (USA)	42.0%	57.0%	1.0%	27.0%	36.6%	0.7%	21.2%
Duke Energy Corporation	Report on Political Contributions	Comptroller of the State of New York	38.5%	60.5%	1.0%	24.7%	38.9%	0.7%	21.2%

*Georgeson's voting result data count abstentions as against votes. Chevron's voting requirement did not count abstentions as against votes, so even though the climate change proposal received less than 50% as shown in Figure 12, the proposal passed with 53.5% support per Chevron's voting standard.

FIGURE 12

Environmental and Social Proposals Voting Results by Company, 2020

Company	Proposal	Primary Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Eli Lilly and Company	Animal Welfare - Report on Forced Swim Test	People for the Ethical Treatment of Animals (PETA)	3.4%	95.4%	1.2%	2.8%	78.0%	1.0%	8.8%
Eli Lilly and Company	Board Diversity - Adopt a Policy on Board Diversity	National Center for Public Policy Research	1.0%	98.6%	0.4%	0.8%	80.6%	0.3%	8.8%
Eli Lilly and Company	Report on Lobbying Payments and Policy	Service Employees International Union General Fund (SEIU)	29.6%	70.0%	0.4%	24.2%	57.2%	0.3%	8.8%
Enphase Energy Inc.	Sustainability - Report on Sustainability	Not Disclosed	51.8%	47.2%	1.1%	34.2%	31.1%	0.7%	21.0%
Equinix Inc.	Report on Political Contributions	John Chevedden	30.9%	64.8%	4.3%	27.0%	56.5%	3.7%	3.6%
Expedia Group Inc	Report on Political Contributions	Friends Fiduciary Corporation	36.0%	63.9%	0.1%	30.6%	54.3%	0.1%	4.9%
Expeditors International of Washington Inc.	Board Diversity - Adopt a Policy on Board Diversity	Comptroller of the City of New York	52.7%	47.0%	0.3%	44.1%	39.3%	0.2%	6.4%
Exxon Mobil Corporation	Climate Change - Report on Costs & Benefits of Climate-Related Expenditures	Steven Milloy	4.1%	93.9%	2.1%	2.5%	57.6%	1.3%	20.8%
Exxon Mobil Corporation	Environment - Report on Risks of Petrochemical Operations in Flood Prone Areas	As You Sow / Park Foundation / Adelaide Gomer	23.9%	73.8%	2.3%	14.7%	45.3%	1.4%	20.8%
Exxon Mobil Corporation	Report on Lobbying Payments and Policy	United Steelworkers	35.0%	58.2%	6.7%	21.5%	35.7%	4.1%	20.8%
Exxon Mobil Corporation	Report on Political Contributions	Unitarian Universalist Association of Congregations	30.5%	68.0%	1.5%	18.7%	41.7%	0.9%	20.8%
Facebook Inc.	Gender/Racial Pay Gap - Report on Median Gender/Racial Pay Gap	Arjuna Capital / Adam D. Seitchik	8.6%	91.0%	0.5%	7.2%	76.0%	0.4%	4.0%
Facebook Inc.	Human Rights - Report on Civil and Human Rights Risk Assessment	Nathan Cummings Foundation	7.1%	92.4%	0.4%	6.0%	77.3%	0.3%	4.0%
Facebook Inc.	Report on Political Advertising	Not Disclosed	12.7%	86.9%	0.4%	10.6%	72.6%	0.4%	4.0%
Facebook Inc.	Social/General - Report on Online Child Sexual Exploitation	Proxy Impact	12.4%	85.9%	1.6%	10.4%	71.8%	1.4%	4.0%
Fastenal Company	Report on EEO - Prepare Employment Diversity Report	As You Sow	57.7%	36.6%	5.7%	47.1%	29.9%	4.7%	10.3%
FedEx Corporation	Report on Lobbying Payments and Policy	International Brotherhood of Teamsters	25.9%	73.6%	0.5%	19.4%	55.0%	0.3%	11.7%
Fiserv Inc.	Report on Political Contributions	John Chevedden	43.2%	53.9%	2.9%	37.2%	46.4%	2.5%	5.9%
Ford Motor Company	Report on Lobbying Payments and Policy	Comptroller of the City of New York	20.1%	79.2%	0.7%	14.0%	55.2%	0.5%	20.6%
Fortinet Inc.	Report on EEO - Prepare Employment Diversity Report	Nia Impact Capital	69.0%	29.6%	1.4%	54.1%	23.2%	1.1%	5.8%
Gannett Co., Inc.	Social/General - Prepare an Annual "Journalism Report"	NewsGuild	29.1%	56.9%	14.0%	18.1%	35.3%	8.7%	26.0%
General Motors Company	Human Rights - Report on Human Rights Policy Implementation	Sisters of St. Dominic of Caldwell New Jersey	30.6%	64.4%	5.0%	23.7%	50.0%	3.9%	9.6%
General Motors Company	Report on Lobbying Payments and Policy	Presbyterian Church (USA)	32.8%	66.2%	1.0%	25.4%	51.4%	0.8%	9.6%
Genuine Parts Company	Report on EEO - Report on EEO	As You Sow / Lutra Living Trust	74.4%	19.7%	5.9%	60.9%	16.1%	4.8%	8.8%
Geo Group Inc (The)	Report on Lobbying Payments and Policy	Service Employees International Union General Fund (SEIU)	42.1%	56.9%	0.9%	31.3%	42.3%	0.7%	13.9%
Home Depot Inc. (The)	Report on EEO - Prepare Employment Diversity Report and Report on Diversity Policies	Congregation of Benedictine Sisters	35.0%	62.8%	2.2%	24.5%	43.9%	1.5%	15.5%
Home Depot Inc. (The)	Report on Political Contributions	Tara Health Foundation	32.6%	66.2%	1.2%	22.8%	46.3%	0.9%	15.5%
Honeywell International Inc.	Report on Lobbying Payments and Policy	Mercy Investment Services	45.6%	53.2%	1.1%	35.1%	40.9%	0.9%	10.7%
Illumina Inc.	Report on Political Contributions	James McRitchie	48.2%	48.3%	3.5%	39.9%	40.0%	2.9%	6.0%
Intel Corporation	Gender/Racial Pay Gap - Report on Global Median Gender/Racial Pay Gap	Arjuna Capital / Adam D. Seitchik	8.9%	90.1%	0.9%	5.7%	57.8%	0.6%	15.0%
IPG Photonics Corporation	Board Diversity - Adopt a Policy on Board Diversity	Trillium Asset Management Corp.	44.6%	54.7%	0.6%	38.4%	47.1%	0.5%	5.3%
J.B. Hunt Transport Services Inc.	Climate Change - Report on Climate Change Initiatives	Trillium Asset Management Corp.	54.3%	45.3%	0.4%	48.5%	40.5%	0.4%	5.2%
J.B. Hunt Transport Services Inc.	Report on Political Contributions	International Brotherhood of Teamsters	53.0%	46.7%	0.4%	47.3%	41.7%	0.3%	5.2%

FIGURE 12

Environmental and Social Proposals Voting Results by Company, 2020

Company	Proposal	Primary Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Johnson & Johnson	Health/Safety - Report on Governance Measures Implemented Related to Opioids	Bright Start College Savings Trust	56.7%	36.4%	6.9%	40.3%	25.8%	4.9%	14.1%
JP Morgan Chase & Co	Climate Change - Report on Climate Change	Brian Patrick Kariger Revocable Trust	48.6%	49.4%	2.0%	35.3%	35.9%	1.4%	12.6%
JP Morgan Chase & Co	Climate Change - Report on Reputational Risk Related to Canadian Oil Sands, Oil Sands Pipelin Companies and Arctic Oil and Gas Exploration and Production.	Oneida Trust Minors	14.9%	83.1%	2.0%	10.8%	60.4%	1.4%	12.6%
JP Morgan Chase & Co	Gender/Racial Pay Gap - Report on Gender/Racial Pay Gap	Rainer Yingling Judd	9.4%	85.4%	5.2%	6.8%	62.0%	3.8%	12.6%
JP Morgan Chase & Co	Report on Charitable Contributions	Thomas Strobhar	2.5%	96.6%	0.9%	1.8%	70.2%	0.6%	12.6%
Kohl's Corporation	Animal Welfare - Adopt Vendor Policy Regarding Oversight on Animal Welfare Throughout the Supply Chain	Rose Foundation	4.7%	87.8%	7.4%	3.5%	65.1%	5.5%	11.1%
Kraft Heinz Co	Health/Safety - Report on Efforts to Reduce Pesticide Use in the Company's Supply Chain	As You Sow	11.8%	84.8%	3.3%	9.0%	64.5%	2.5%	11.3%
Kraft Heinz Co	Social/General - Report on Protein Diversification	Green Century Capital Management, Inc.	3.2%	95.6%	1.2%	2.4%	72.6%	0.9%	11.3%
Kroger Company (The)	Human Rights - Report on Human Rights Due Diligence Process in Operations and Supply Chain	Oxfam America Inc	44.4%	54.9%	0.7%	34.3%	42.4%	0.6%	10.0%
Kroger Company (The)	Sustainability - Assess Environmental Impact of Non-Recyclable Packaging	As You Sow	38.1%	61.2%	0.7%	29.4%	47.2%	0.5%	10.0%
Lamb Weston Holdings Inc	Health/Safety - Report on Pesticide Use in the Company's Supply Chain	Green Century Capital Management, Inc.	32.4%	62.5%	5.1%	26.3%	50.8%	4.1%	8.9%
Lear Corporation	Human Rights - Report on Human Rights Impact Assessment	Sisters of the Good Shepherd	44.3%	54.7%	1.0%	39.6%	48.9%	0.9%	3.1%
Loews Corporation	Report on Political Contributions	Clean Yield Asset Management	32.2%	67.6%	0.2%	29.1%	61.1%	0.2%	3.8%
Marriott International	Report on EEO - Shareholder Proposal Regarding Diversity Reporting	Trillium Asset Management Corp.	29.0%	65.2%	5.8%	21.8%	49.1%	4.3%	13.5%
Maximus Inc.	Report on Lobbying Payments and Policy	Service Employees International Union General Fund (SEIU)	41.2%	55.2%	3.6%	37.0%	49.5%	3.2%	2.4%
McDonald's Corporation	Health/Safety - Report on Sugar and Public Health	Harrington Investments, Inc.	9.2%	88.8%	1.9%	6.3%	60.9%	1.3%	14.7%
McKesson Corporation	Report on Lobbying Payments and Policy	The Catherine Donnelly Foundation	45.4%	53.8%	0.8%	36.9%	43.7%	0.7%	8.2%
Microchip Technology Inc.	Human Rights - Report on Human Rights Risks in Operations and Supply Chain	Friends Fiduciary Corporation	50.6%	47.9%	1.5%	42.4%	40.2%	1.2%	11.0%
Microsoft Corporation	Gender/Racial Pay Gap - Report on Gender Pay Gap	Arjuna Capital / Adam D. Seitchik	28.0%	66.7%	5.3%	20.6%	49.0%	3.9%	12.5%
Mondelez International Inc.	Report on Pay Disparity	AFL-CIO	9.9%	88.9%	1.2%	7.5%	67.4%	0.9%	10.1%
Motorola Solutions Inc.	Report on Political Contributions	Newground Social Investment	46.0%	50.0%	4.0%	36.6%	39.8%	3.2%	10.3%
Netflix Inc.	Report on EEO - Report on EEO	Justin Danhof	0.7%	98.5%	0.8%	0.5%	74.7%	0.6%	11.0%
Netflix Inc.	Report on Political Contributions	Myra K. Young	41.6%	57.7%	0.7%	31.6%	43.7%	0.5%	11.0%
Nextera Energy, Inc.	Report on Political Contributions	Newground Social Investment	38.6%	60.7%	0.7%	29.9%	47.0%	0.6%	11.4%
Northrop Grumman Corporation	Human Rights - Report on Human Rights Impact Assessment	Sisters of St. Dominic of Caldwell New Jersey	23.8%	74.6%	1.6%	19.8%	62.2%	1.4%	9.0%
Oracle Corporation	Gender/Racial Pay Gap - Report on Gender Pay Gap	Pax World Management LLC	34.8%	62.7%	2.6%	28.7%	51.8%	2.1%	8.7%
O'Reilly Automotive Inc.	Report on EEO - Report on Human Capital Risks and Opportunities	As You Sow	64.9%	33.5%	1.6%	52.0%	26.8%	1.3%	8.2%
PayPal Holdings Inc	Human Rights - Adopt Human and Indigenous People's Rights Policy	Harrington Investments, Inc.	9.1%	89.1%	1.7%	7.1%	69.0%	1.4%	9.2%
PepsiCo Inc.	Health/Safety - Shareholder Proposal Regarding Report on Sugar and Public Health	Harrington Investments, Inc.	10.9%	86.8%	2.4%	7.9%	63.1%	1.7%	13.5%
Pfizer Inc.	Gender/Racial Pay Gap - Report on Gender Pay Gap	Proxy Impact	36.2%	58.8%	5.0%	25.5%	41.4%	3.5%	14.7%
Pfizer Inc.	Report on Lobbying Payments and Policy	Oxfam America Inc	20.4%	78.6%	1.1%	14.3%	55.4%	0.8%	14.7%
Phillips 66	Environment - Report on Risks of Gulf Coast Petrochemical Investments	As You Sow	53.9%	44.6%	1.5%	37.7%	31.2%	1.0%	15.3%
Pilgrim's Pride Corporation	Environment- Report on Reduction of Water Pollution	Mercy Investment Services	15.2%	84.5%	0.3%	14.5%	80.7%	0.3%	2.1%

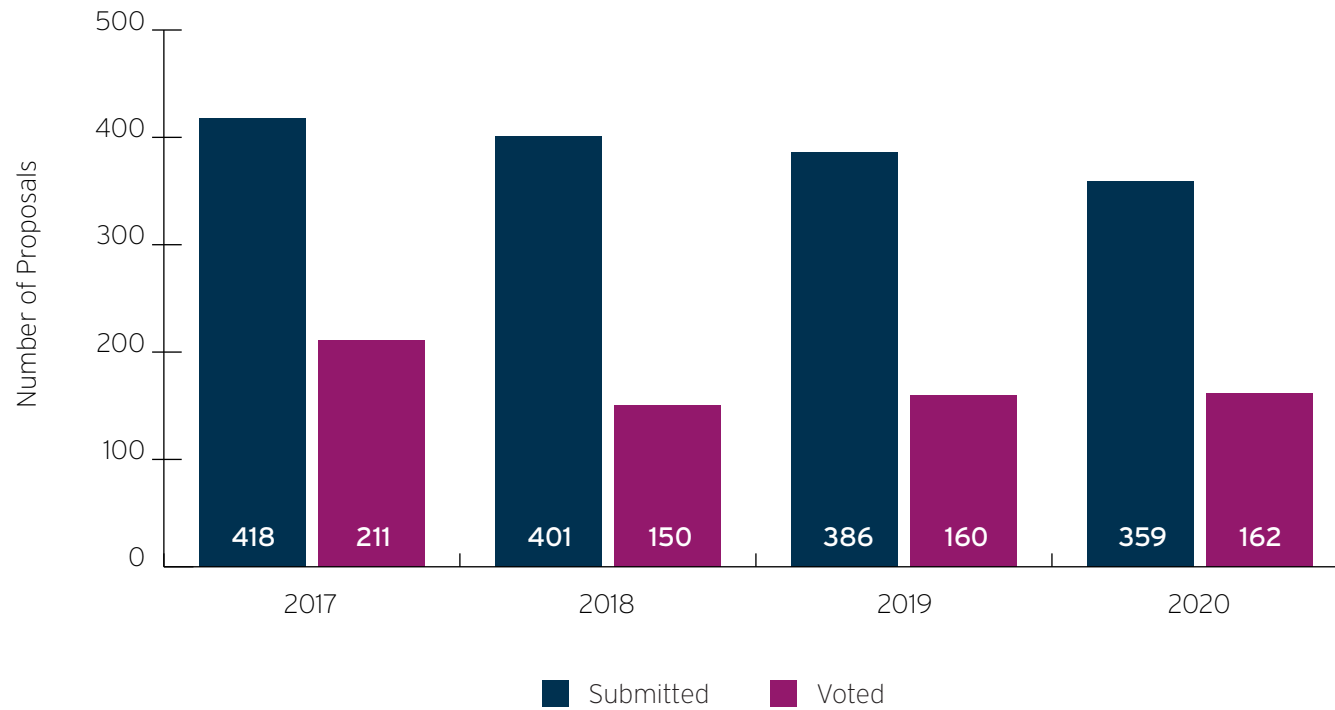
FIGURE 12

Environmental and Social Proposals Voting Results by Company, 2020

Company	Proposal	Primary Sponsor	As Percentage of Votes Cast			As Percentage of Shares Outstanding			
			For	Against	Abstain	For	Against	Abstain	Non-Vote
Pilgrim's Pride Corporation	Human Rights - Shareholder Proposal Regarding Human Rights Due Diligence Process Report	Oxfam America Inc	12.8%	86.9%	0.3%	12.2%	82.9%	0.3%	2.1%
PNM Resources Inc. (Holding Co.)	Environment - Report on Coal Combustion Residual Matters at San Juan Generating Station	Edith P. Homans Family Trust	7.0%	85.5%	7.4%	6.1%	74.4%	6.5%	5.6%
Raytheon Technologies Corp	Report on Plant Closures	United Steelworkers	5.3%	93.4%	1.3%	4.0%	70.9%	0.9%	10.8%
Royal Caribbean Cruises Ltd.	Report on Political Contributions	Comptroller of the State of New York	30.8%	66.6%	2.7%	21.3%	46.1%	1.8%	16.2%
Sanderson Farms Inc.	Environment - Report on Water Resource Risks	Russell Family Foundation	10.7%	83.4%	5.9%	9.4%	72.9%	5.2%	6.3%
Sanderson Farms Inc.	Human Rights - Report on Human Rights Due Diligence	Oxfam America Inc	36.9%	62.4%	0.7%	32.3%	54.6%	0.6%	6.3%
Skechers U.S.A. Inc.	Human Rights - Adopt a Comprehensive Human Rights Policy	Congregation of Divine Providence	18.2%	81.2%	0.6%	17.0%	75.7%	0.5%	0.0%
Southern Company (The)	Report on Lobbying Payments and Policy	Joyce Lanning	27.8%	70.9%	1.2%	17.7%	45.0%	0.8%	19.9%
Southwest Airlines Company	Report on Lobbying Payments and Policy	Service Employees International Union General Fund (SEIU)	25.8%	73.4%	0.8%	20.3%	57.7%	0.6%	12.3%
Starbucks Corporation	Report on EEO - Report on Risks of Omitting Viewpoint and Ideology from EEO Policy	National Center for Public Policy Research	1.5%	96.6%	1.9%	1.0%	66.2%	1.3%	16.0%
T. Rowe Price Group Inc.	Climate Change - Report on and Assess Proxy Voting Policies in Relation to Climate Change Position	Zevin Asset Management	14.1%	84.2%	1.8%	10.7%	64.3%	1.3%	12.2%
TJX Companies Inc. (The)	Animal Welfare - Report on Animal Welfare	Brianna Lynn Harrington	7.5%	90.9%	1.6%	6.2%	75.5%	1.3%	5.4%
TJX Companies Inc. (The)	Health/Safety - Report on Reduction of Chemical Footprint	Trillium Asset Management Corp.	43.9%	54.7%	1.4%	36.5%	45.4%	1.2%	5.4%
TJX Companies Inc. (The)	Report on Pay Disparity	Trillium Asset Management Corp.	9.3%	89.8%	1.0%	7.7%	74.5%	0.8%	5.4%
Transdigm Group Incorporated	GHG Emissions - Adopt Quantitative Company-wide GHG Goals	Comptroller of the City of New York	45.0%	54.8%	0.2%	41.1%	50.1%	0.2%	2.8%
Twitter, Inc.	Report on EEO - Report on Equal Employment Opportunity Policy Risk	National Center for Public Policy Research	1.5%	96.1%	2.3%	1.0%	62.1%	1.5%	14.9%
Tyson Foods Inc.	Human Rights - Report on Human Rights Risk Assessment Process	American Baptist Home Mission Society	14.6%	85.3%	0.1%	13.6%	79.8%	0.1%	2.2%
Tyson Foods Inc.	Report on Lobbying Payments and Policy	Not Disclosed	14.6%	85.3%	0.1%	13.7%	79.8%	0.1%	2.2%
Union Pacific Corporation	Climate Change - Report on Climate Change	James McRitchie	17.9%	77.6%	4.4%	13.5%	58.3%	3.3%	11.1%
United Airlines Holdings, Inc.	Climate Change - Report on Global Warming-Related Lobbying Activities	BNP Paribas	31.3%	68.2%	0.6%	22.7%	49.4%	0.4%	16.3%
United Airlines Holdings, Inc.	Report on Lobbying Payments and Policy	Nathan Cummings Foundation	28.6%	70.8%	0.6%	20.8%	51.3%	0.4%	16.3%
United Parcel Service Inc.	Climate Change - Report on Climate Change	Trillium Asset Management Corp.	28.8%	68.5%	2.7%	19.2%	45.7%	1.8%	5.5%
United Parcel Service Inc.	Report on Lobbying Payments and Policy	Boston Trust / Walden Asset Management	23.0%	74.8%	2.2%	15.3%	49.8%	1.5%	5.5%
Verizon Communications Inc.	Report on Lobbying Payments and Policy	Friends Fiduciary Corporation	46.4%	52.4%	1.2%	31.9%	36.0%	0.8%	16.7%
Vertex Pharmaceuticals Incorporated	Report on Lobbying Payments and Policy	Friends Fiduciary Corporation	46.8%	49.5%	3.7%	41.2%	43.5%	3.3%	3.4%
Walmart Inc	Environment - Report on Impacts of Single-Use Plastic Bags	As You Sow	16.9%	82.7%	0.4%	14.2%	69.4%	0.4%	7.7%
Walmart Inc	Health/Safety - Report on Supplier Antibiotics Use Standards	As You Sow	3.8%	95.8%	0.4%	3.2%	80.5%	0.4%	7.7%
Walmart Inc	Social/Harassment - Report on Strengthening Prevention of Workplace Sexual Harassment	Not Disclosed	13.1%	86.4%	0.5%	11.0%	72.6%	0.4%	7.7%
Walt Disney Company	Report on Lobbying Payments and Policy	Congregation of Sisters of St. Agnes	33.4%	65.7%	0.8%	22.5%	44.3%	0.6%	15.5%
Wells Fargo & Company	Gender/Racial Pay Gap - Report on Global Median Gender Pay Gap	Harold B. Bamberg Revocable Trust	9.0%	87.1%	3.9%	6.8%	66.2%	3.0%	9.8%
Western Union Company (The)	Report on Political Contributions	John Chevedden	53.0%	46.4%	0.7%	45.3%	39.7%	0.6%	4.5%
Xcel Energy Inc.	Climate Change - Report on Costs and Benefits of Xcel Energy's Voluntary Climate-Related Activities	Steven Milloy	3.3%	95.4%	1.4%	2.5%	71.9%	1.0%	10.9%
XPO Logistics Inc.	Social/Harassment - Shareholder Proposal Regarding Report on Measures Taken to Prevent Sexual Harassment	Service Employees International Union General Fund (SEIU)	18.4%	77.1%	4.5%	15.3%	64.0%	3.7%	9.1%
Yum! Brands Inc.	Environment - Report on Supply Chain Impact on Deforestation	SumOfUs	32.5%	65.2%	2.3%	23.7%	47.6%	1.7%	12.1%

FIGURE 13

Environmental and Social Proposals Submitted vs. Voted, 2017-2020



	2017	2018	2019	2020
Environmental Submitted	129	123	92	87
Environmental Voted On	67	41	26	25
Social Submitted	289	278	294	272
Social Voted On	144	109	134	137

FIGURE 14

Environmental and Social Proposals Voted vs. Passed & Average Support, 2017-2020

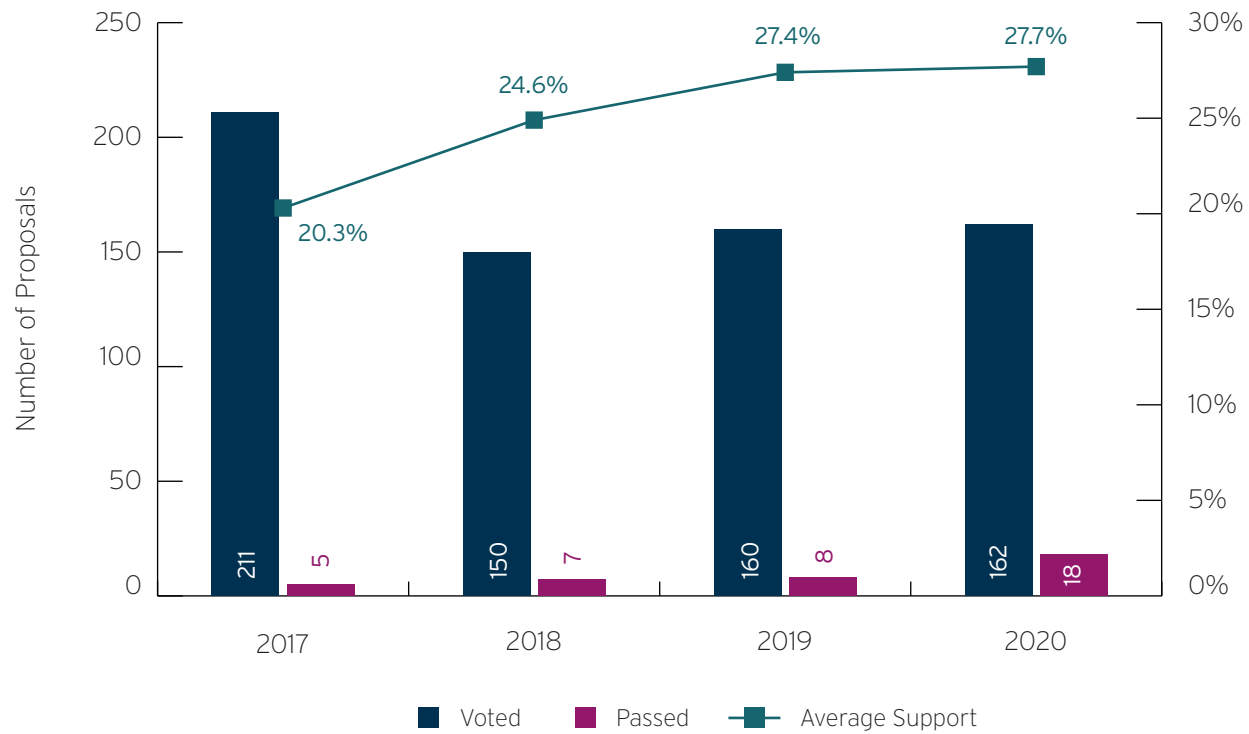


FIGURE 15

Passing Environmental and Social Proposals, 2020

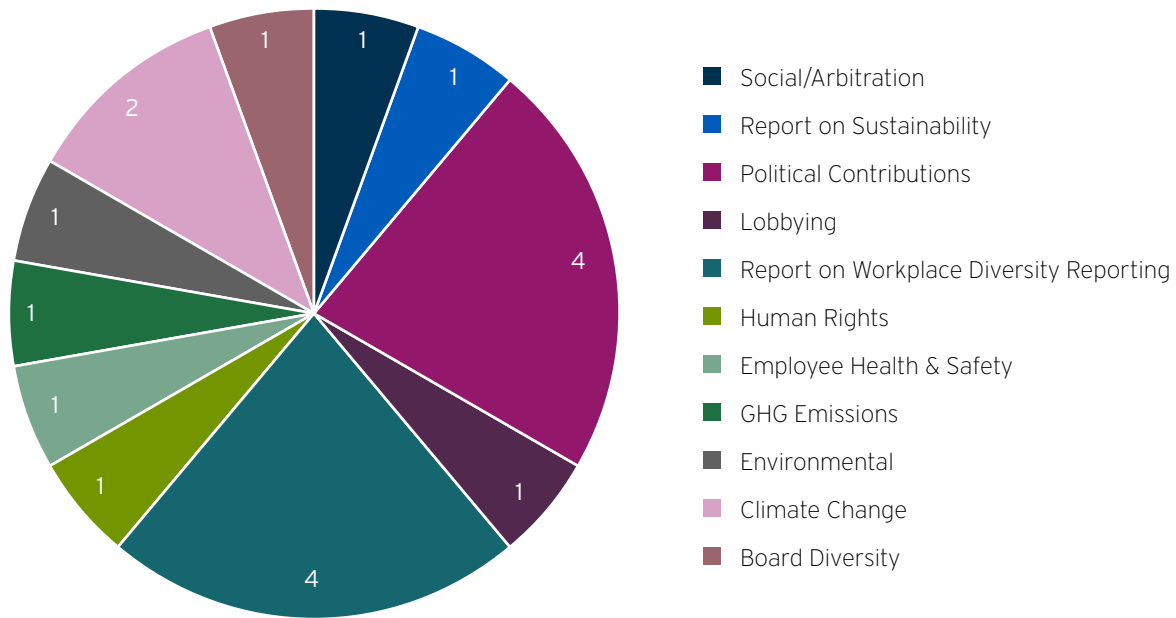
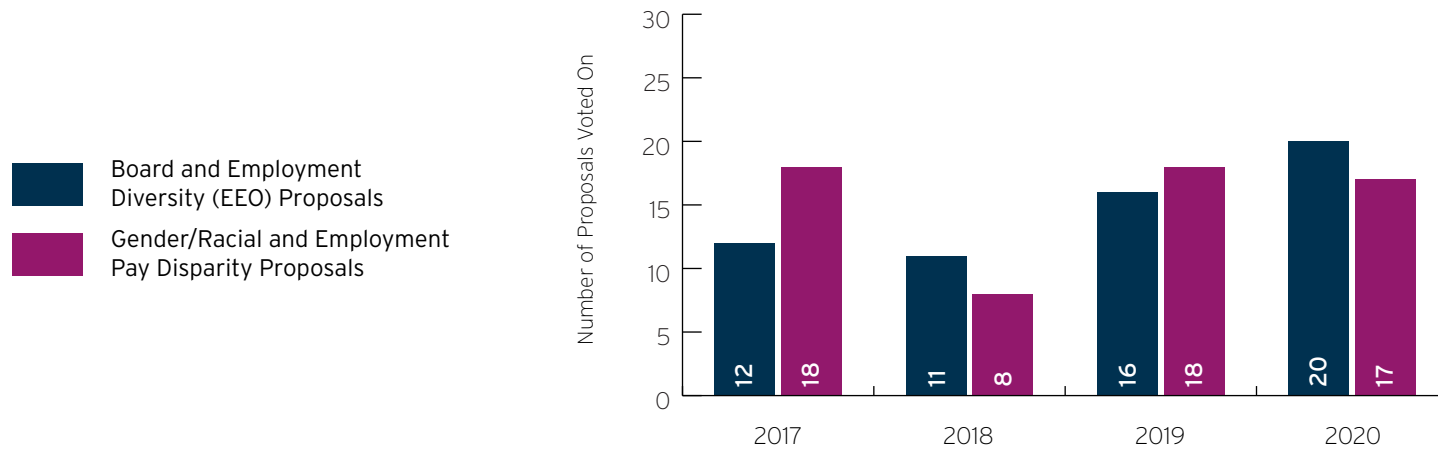


FIGURE 16

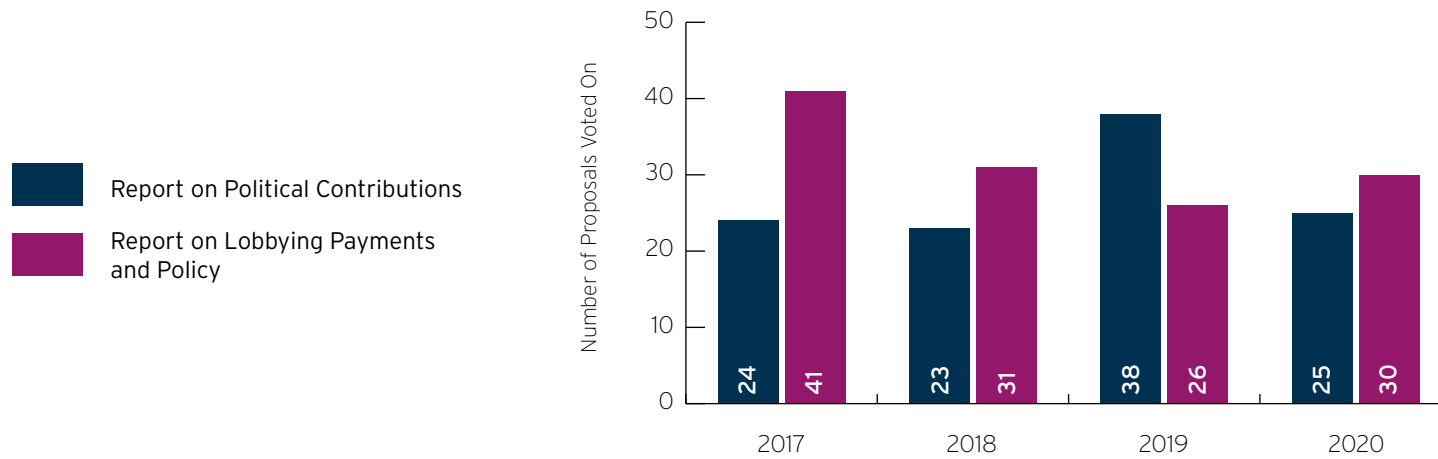
Proposals Voted Upon Relating to Select Social Issues, 2017-2020



	Average % of Shareholder Support			
	2017	2018	2019	2020
Board and Employment Diversity (EEO) Proposals	23%	32%	21%	28%
Gender/Racial and Employment Pay Disparity Proposals	10%	16%	21%	14%

FIGURE 17

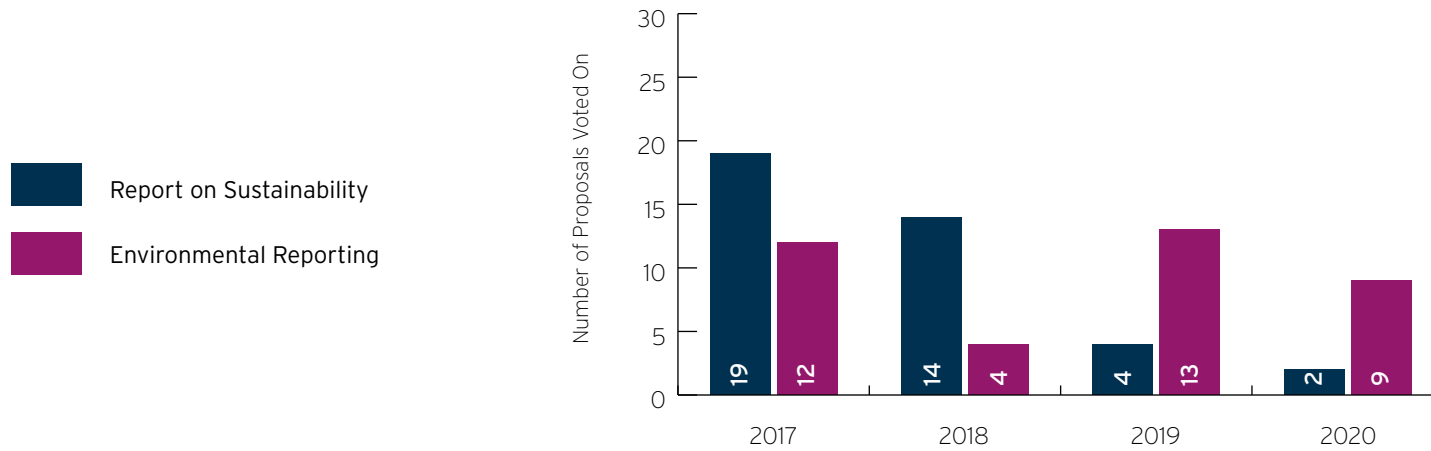
Proposals Voted Upon Relating to Select Social Issues, 2017-2020



	Average % of Shareholder Support			
	2017	2018	2019	2020
Report on Political Contributions	25%	31%	35%	40%
Report on Lobbying Payments and Policy	25%	26%	30%	32%

FIGURE 18

Proposals Voted Upon Relating to Select Environmental Issues, 2017-2020



Average % of Shareholder Support

	2017	2018	2019	2020
Report on Sustainability*	25%	29%	36%	45%
Environmental Reporting**	21%	25%	19%	22%

*Sustainability proposals include sustainability-, renewable energy-, and recycling-related

**Environmental proposals also include pollution-related proposals

FIGURE 19

Proposals Voted Upon Relating to Select Environmental Issues, 2017-2020



	2017	2018	2019	2020
GHG/Methane Emission Proposals	26%	30%	33%	47%
Other Climate Change-Related Proposals	19%	21%	30%	28%
2 Degree Scenario Proposals	42%	40%	NA	NA

Director Elections

The investor spotlight continued to shine on director elections this proxy season. Compared to director support experienced during 2019, aggregate votes in favor of directors decreased only slightly year-over-year. Average support of director elections has hovered close to 96% over the past four years. In 2020, 19 directors received less than 50% support, of which four failed to be elected due to a majority voting standard.

This year, additional investor focus on director elections came from State Street Global Advisors. In January, State Street announced that, among its engagement priorities for 2020, the firm will consider voting against board members at companies in the S&P 500 with R-Factor™ scores in the bottom tenth percentile of their industries that cannot articulate how they plan to improve their score. Beginning in 2022, this voting action will extend to all companies within its portfolio whose R-Factor™ score places them in the bottom 30th percentile of their industries. According to State Street, its R-Factor™ rating system measures the performance of a company's business operations and governance as it relates to ESG topics that are financially material to the company's industry (based on applicable SASB standards).

BlackRock has also sharpened its focus on certain factors when evaluating its support of director elections. Specifically, the firm announced that it will expect portfolio companies to provide disclosure aligned with the TCFD framework and SASB standards prior to year-end. BlackRock believes that this disclosure will provide more comparable, financially material information to the market. The firm intends to use this TCFD- and SASB-aligned disclosure to assess portfolio investments and inform its engagements with portfolio companies. Additionally, BlackRock's policies have been updated

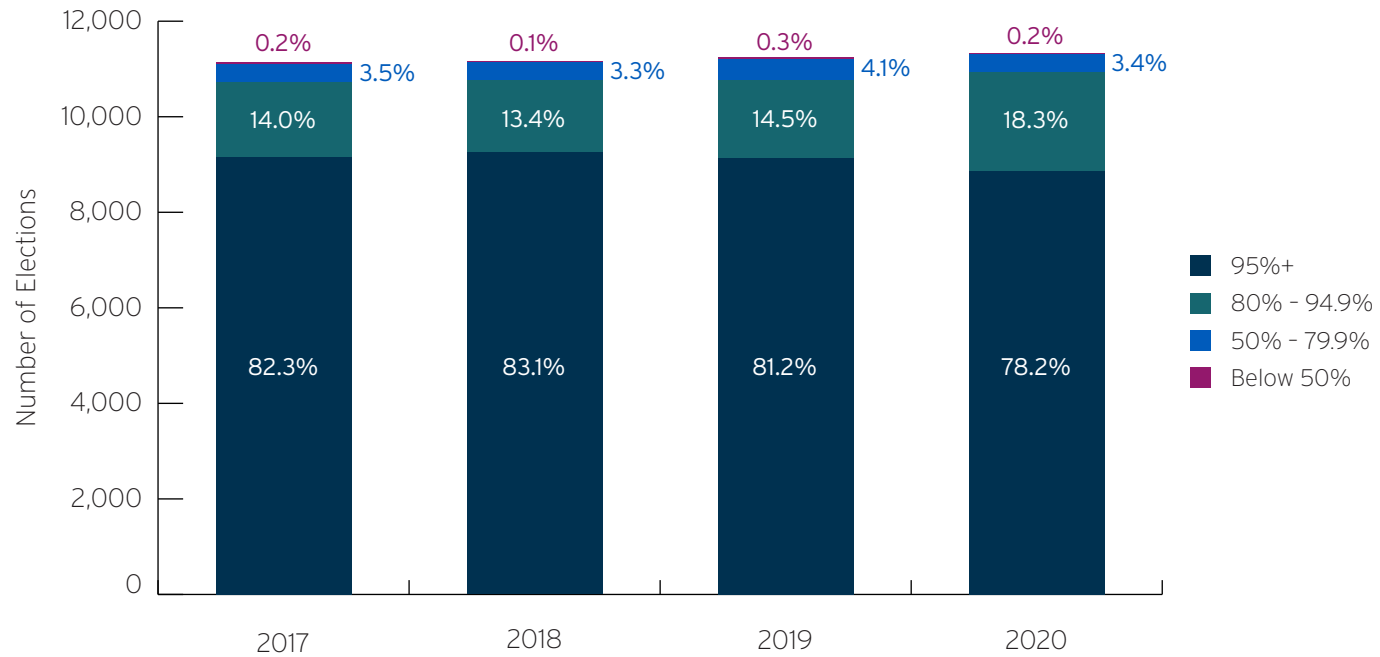
to state that the firm may make voting decisions regarding the election of relevant directors based on the disclosure or management of climate matters and when considering whether to support a range of shareholder-related proposals. Indeed, BlackRock recently announced that globally it voted against 53 companies it deemed to be dragging their feet on climate change and that it has placed an additional 191 companies "on watch" for voting action in the next 12 months if their practices do not improve. Other large asset managers such as Neuberger Berman and T. Rowe Price are also considering ESG criteria when evaluating whether to support director elections. Accordingly, we expect that we may see a decrease in director support beginning in the 2021 proxy season, particularly if BlackRock holds true to its mandate that all its portfolio companies produce SASB- and TCFD-aligned reporting by year end.

Additional board-related topics that appear to influence investors to vote against directors up for election are:

- › Overboarding - Investor policies have become stricter on the maximum number of boards on which directors may serve. Consequently, investors are voting against directors who they believe serve on an excessive number of boards
- › Composition - Continued focus on board composition as it relates to racial, and gender diversity, skill sets, and other factors that, in the investors view, ensures the board is composed appropriately
- › Responsiveness and Accountability - Boards are expected to be responsive to shareholder votes and specific investor concerns. This expectation has also led to increased support for proposals seeking to separate the roles of board chair and CEO, as discussed in Section 2A

FIGURE 20

Support for Director Elections, 2017-2020



	2017	2018	2019	2020
Average Shareholder Support*	96.3%	96.4%	96.0%	95.9%
Total Voted	11,128	11,160	11,245	11,336
Total Below 50% Support*	21	16	29	19
Total Failed**	4	5	6	4

*Vote calculations count abstentions as AGAINST votes

**Due to plurality vote standards or vote standards that do not include abstentions as AGAINST votes, not all director votes below 50% support failed

Executive Compensation

Say-on-pay vote results for 2020 saw a slight decline in average support experienced within the S&P 500, with approximately 90% of votes cast in favor (excluding abstentions) of these proposals, compared to 91% support last year. In addition, approximately 74% of S&P 500 companies received 90% or higher shareholder support compared to approximately 79% of companies in 2019. S&P 1500 companies fared slightly better this year, with approximately 91% average votes cast in favor and 75% of the companies receiving greater than 90% vote support. 2020 results for the S&P 1500 companies were comparable to those in 2019 in terms of average support, although a higher proportion - 78% - received greater than 90% vote support last year.

Ten S&P 500 companies failed to receive majority support for their say-on-pay proposals in 2020. Although Intel Corporation received more votes in favor than against, its say-on-pay proposal failed marginally with 49.7% support as abstentions counted and as votes and had the same effect as votes against the proposal. Among these ten companies, while most received vote support exceeding 40%, QUALCOMM Inc. and CVS Health Corp. received only 17.9% and 24.4% votes favorable votes, respectively. At QUALCOMM, special equity awards in consecutive years and the magnitude of CEO annual cycle long-term incentive awards likely contributed to the lack of support for the executive compensation program. At CVS Health the concerns related to the compensation committee accelerating the grant of the CEO's performance stock units for 2020 to August 2019 and accelerating the grant of three additional years of performance units to the general counsel likely contributed to the results.

The failure rate for S&P 1500 companies fell to 1.7% in 2020 (26 companies) compared to 2.1% in 2019 (30 companies). The S&P 1500 companies with "red zone" results, i.e. those receiving between 50% to 70%¹ vote support also decreased from 6.2% in 2019 to 4.4% in 2020. The S&P 500 companies falling in the "red zone" decreased slightly from 5.5% in 2019 to 5.2% in 2020.

ISS recommended voting against at a higher percentage of S&P 500 companies in 2020 with 11.8% of say-on-pay proposals garnering a negative recommendation compared to 10.7% in 2019. This was in contrast to S&P 1500 companies, where ISS's negative recommendations declined from 10.4% in 2019 to 8.3% in 2020. The decline in negative ISS recommendations for the S&P 1500 index was due to small- and midcap companies faring better under ISS analysis in 2020 compared to 2019. Negative ISS vote recommendations at S&P 500 companies and S&P 1500 companies in 2020 arguably reduced shareholder support by 28.1% and 30.7% respectively.

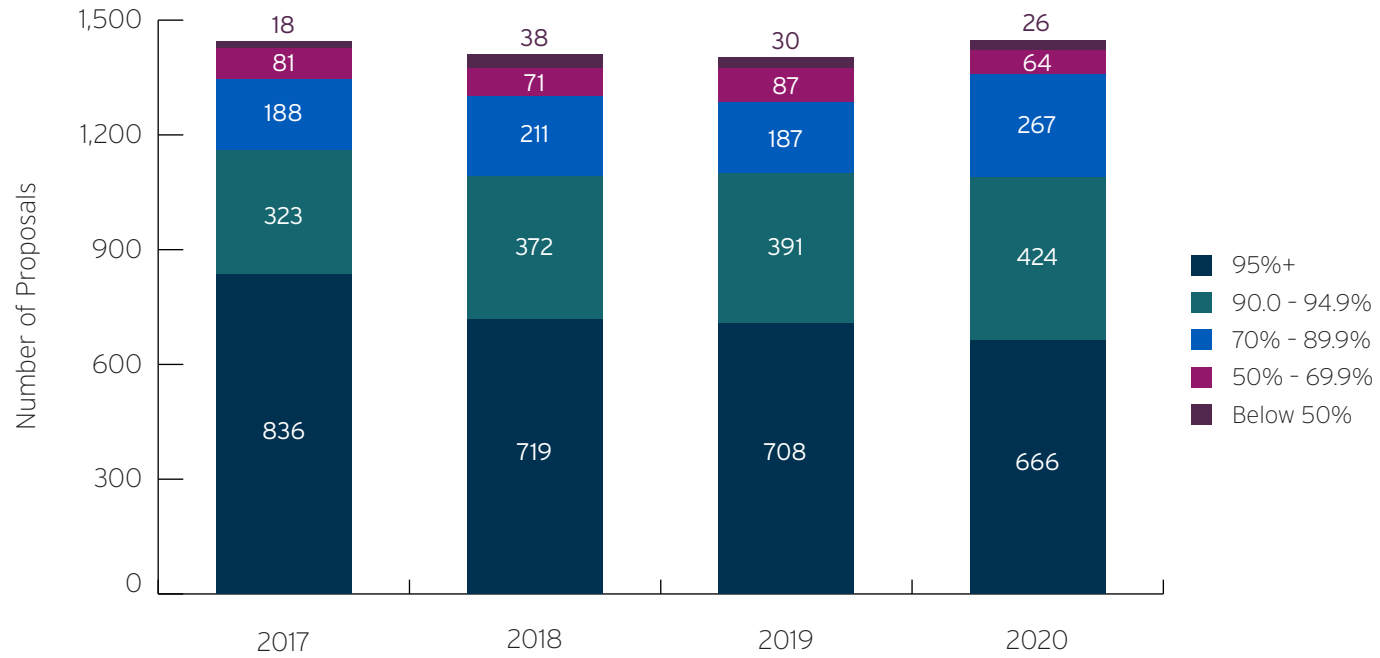
The main reason for ISS's against vote recommendations continues to be CEO pay-for-performance misalignment. Large discretionary compensation and use of performance goals that were not sufficiently rigorous contributed to misalignment concerns at many companies where ISS recommended against say-on-pay proposals.

Part II of the Annual Corporate Governance Review will provide further analysis of institutions' voting decisions on say-on-pay proposals.

¹ Support below 70% is the threshold at which ISS expects increased responsiveness to shareholders. Glass Lewis's threshold is higher, at 80%.

FIGURE 21

Support for Say-on-Pay, 2017-2020



	2017	2018	2019	2020
Average Shareholder Support*	91.8%	90.5%	90.6%	90.7%
Total Voted	1446	1411	1403	1447
Total Below 50% Support*	18	38	30	26
Total Failed	18	35***	30	25**

*Vote calculations count abstentions as AGAINST votes

**GameStop passed with over 50% support as voting requirement did not include abstentions as AGAINST votes

***Customers Bancorp, PetMed Express and Jefferies Financial passed with over 50% support as voting requirement did not include abstentions as AGAINST votes

PART II

A Review of:

- > Investor Voting Data
- > M&A and Activism Trends

A Review of Investor Voting Data and M&A and Activism Trends

Following the release of Part I of our Annual Corporate Governance Review in September 2020, we are pleased to present Part II of the report.

Part II offers an expanded analysis of institutional investor voting decisions on key shareholder proposals, as well as management say-on-pay proposals and director elections. It also contains a critical review of M&A, proxy contests and investor activism trends from the 2020 proxy season for all U.S. companies.

In Part II, we've also included key findings from Georgeson's 2020 European Season Report. Please see p. 96.

We consider the 2020 proxy season to include company meetings occurring July 1, 2019 through June 30, 2020.

DATA COLLECTION:

In Partnership with Proxy Insight, data was collected from public filings:

- › Shareholder Proposals: Investor voting decision data was collected from public filings, including N-PX filings released in August 2020 or companies in the S&P 1500. For certain proposals, we've reported on individual investor vote decisions using a color-coded system. In other instances, we detail historical institutional investor vote support by the largest investors by assets under management (AUM). For Figure 23 and 26 the "For" (%) is based on the percentage of times an investor voted "For" a that shareholder proposal type.
- › Say-on-Pay: Investor voting decision data was collected from public filings, including N-PX released in August 2020. We've reported on historical vote support for shareholder proposals by the top investors by assets under management

for say-on-pay proposals for companies in the S&P 1500.

For Figure 29 the "For" (%) is based on the percentage of times an investor voted "For" a the say-on-pay proposal.

- › State Street voting decision data for S&P 500 director elections was collected from public filings, including N-PX released in August 2020.
- › M&A and Activism: All related data in this section has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd. The data set includes all U.S. companies. For Figure 33, 34 and 35 bar chart calculations may not equal 100% due to rounding.

TEN MAJOR INVESTORS:

In Figures 22, 24, 25 and 27 we have included voting decisions by ten major investors. These ten investors include:

Investor	AUM (\$ bn)
BlackRock	6467
Vanguard Group, Inc.	5716
SSgA Funds Management, Inc. (State Street)	2810
Fidelity Management & Research Co. (FMR)	2530
BNY Mellon	1800
Capital Group	1600
Wellington Management Company	1230
Legal & General Investment Management	1200
T. Rowe Price Associates, Inc.	1110
Northern Trust Investments	956

We've selected these ten investors (referred to herein as the "ten major investors") based on their large assets under management, as well as their historical voting activity over the past four years. This is the same set of investors tracked in our 2019 Annual Corporate Governance Review.

Climate-Related Shareholder Proposals

As detailed in Part I of the ACGR, investor support for environmental proposals increased during 2020, and 5 proposals received majority support. This support is not surprising when considered in the context of the top risks to the economy identified in the World Economic Forum's recent annual report, which included extreme weather, climate action failure, natural disasters, biodiversity loss and human-made environmental disasters.

A broad comparison across investors of support of environmental proposals overall (Figure 23) does not reveal a steady year-over-year upward trend of support. However, support for environmental proposals by the largest managers - BlackRock, Vanguard, State Street, Fidelity, JP Morgan and BNY Mellon - has, with the exception of 2019,¹ trended upwards, which likely accounts in part for the increase in climate-related proposals that passed during the 2020 proxy season.

Digging into individual voting decisions, an examination of select proposals (Figure 22) addressing climate matters (excluding two "anti-climate risk management" proposals that received minimal support) reveals that, notwithstanding BlackRock's stated focus on climate matters at the beginning of the 2020 proxy season, it was the least supportive of these proposals among the asset managers we examined,² supporting just two of the 15 proposals examined.³ Vanguard was the next least supportive of the managers examined that voted on all proposals reviewed, supporting four proposals. On the other end of the spectrum, Legal & General, Northern Trust and Wellington supported all or nearly all of the proposals reviewed. And notwithstanding Legal & General's 2020 voting record, it recently announced plans to take further action going forward against those

companies it deems to be "climate laggards." Specifically, Legal & General plans to vote against and potentially divest from discretionary funds companies falling short of its expectations, as assessed by its newly-expanded proprietary climate rating of over 1,000 companies.

State Street fell in the middle of the spectrum, voting for 7 climate-related proposals and abstaining on an additional four. Climate has been a thematic focus for State Street for several years, and its recent Proxy Season Review indicates it will remain a core campaign "until [it is] confident that portfolio companies are effectively addressing the issue." This past January, State Street outlined its plans to use its own proprietary R-Factor ESG rating system as a basis for taking voting action both against company directors and in favor of shareholder proposals where companies are insufficiently managing financially material ESG matters.⁴ As State Street expands its use of R-Factor on this basis from the S&P 500 to its entire portfolio in 2022, we expect its support of climate-focused proposals may expand as well.

BlackRock and Vanguard have been heavily criticized for their low support of climate-focused resolutions,⁵ and several of the resolutions included in Figure 22, such as those at Chevron (regarding petrochemical risk), J.P. Morgan and Delta Airlines would have received majority support had either investor voted in favor of the proposal. Given statements by both BlackRock and Vanguard in their most recent stewardship reports as well as the continued scrutiny of their voting records, we expect to see their support of climate-focused proposals trend upward in 2021. For example, Vanguard has indicated that it is likely to support shareholder proposals that seek reasonable and effective disclosure of GHG emissions or other climate-related metrics,

or proposals that ask companies to pursue climate risk mitigation targets, such as those aligned to the goals of the Paris Agreement. BlackRock announced in its recent stewardship report 191 companies globally that it has placed on watch for 2021 voting action should those companies' management of climate-related risks not improve.⁶

Furthermore, both asset managers have expressed specific expectations that companies produce TCFD-aligned reporting. Indeed, in explaining its rationale for supporting the shareholder proposal at TransDigm, BlackRock cited "failure to implement climate risk considerations in strategy and to sufficiently produce climate-related, TCFD-aligned reporting." Accordingly, to the extent companies do not progress in producing such disclosures, we expect to see increased support for shareholder proposals, and/or opposition to board directors.

The highest supported climate proposal during the 2020 season - and the third highest on record for a non-board backed climate-related proposal according to ISS - occurred at Dollar Tree Inc., demonstrating that investors are expanding their scrutiny of climate risk management beyond directly emissions-intensive extractive industries.⁷ Investors overwhelmingly supported a proposal seeking reporting on business strategy alignment with constraints posed by climate change on the basis that doing so would allow shareholders to better assess the company's management of climate-related risks, and would accelerate the company's development of a robust climate strategy. Notably, BlackRock was the only investor profiled in Figure 22 that voted its entire position against

that shareholder proposal. In doing so, BlackRock indicated that upon engagement it decided to support management in voting against the proposal, most likely because in advance of its annual meeting Dollar Tree committed to adopt the requirements of the proposal by producing disclosure within the next year detailing its long-term strategy and goals for GHG emissions reductions.

The emergence of climate-related lobbying proposals during 2020 also demonstrates investors' evolving and multi-faceted approach to climate risk. These proposals, which reached a vote at Chevron, Delta Air Lines and United Airlines, sought alignment of a company's trade association memberships with its stated position on climate change. In voting in favor of the proposal at Chevron, BlackRock indicated that, notwithstanding Chevron's market-leading board oversight of ESG risk and SASB- and TCFD-aligned reporting, it believes investors would benefit from increased transparency regarding the alignment between Chevron's political activities and its stated support for the Paris Agreement goals. State Street likewise acknowledged that Chevron lacked analysis of its stated position on climate vis-à-vis its trade association memberships. However, it determined to abstain on the proposal in light of what it viewed to be superior disclosure overall regarding trade group associations as compared to both Chevron's industry peers and the U.S. market overall. On the other hand, State Street supported the proposals at both Delta Air Lines and United Airlines, both of which BlackRock voted against.

¹ Factors driving the dip in investor support during 2019 are not clear. While 2019 saw fewer proposals reach a vote as compared to 2018 and 2017, it was relatively on par with 2020. Likewise, while fewer proposals requesting sustainability reports, which generally receive high support, were voted in 2019 as compared to 2018 and 2017, fewer still were voted during 2020 yet support for environmental proposals rebounded.

² Capital Group also supported only two proposals, although it did not vote on three of the proposals examined.

³ BlackRock has indicated that its climate-related voting activity was predominantly carried out through individual director voting decisions, rather than shareholder proposals, during 2020. Looking forward, companies are now on notice of BlackRock's climate expectations. That, coupled with the pressure BlackRock itself is facing to demonstrate its own management of climate risk discussed herein, seems likely to lead to more frequent support of proposals that align with its expectations that companies plan appropriately for a society aiming to limit global warming to 1.5 degrees Celsius. Global voting bulletins issued for meetings held thus far in the 2021 proxy season, such as in connection with [Procter & Gamble Company's mid-October meeting](#) (last accessed October 30, 2020), where BlackRock supported a shareholder proposal seeking a report on efforts to eliminate deforestation, suggest this may well be the case.

⁴ Specifically, in the 2020 U.S. proxy season State Street began voting against directors at S&P 500 companies that are "laggards" under its proprietary R-Factor ESG rating system. That voting action will be expanding to companies that are "underperformers" - meaning the bottom 30th percentile of their industry - across its entire portfolio in 2022.

⁵ See, e.g., [Majority Action, Climate In The Boardroom: How Asset Manager Voting Shaped Corporate Climate Action In 2020](#) (last accessed October 15, 2020).

⁶ BlackRock also noted 53 companies at which it took voting action either against directors or in favor of shareholder proposals for what it viewed as insufficient progress in managing climate matters. 35 of those companies were U.S. listed. See [Our Approach to Sustainability](#) (last accessed October 30, 2020).

⁷ The submission of climate-related proposals at financial institutions such as JP Morgan and T.Rowe Price is also demonstrative of this expanding scrutiny.

FIGURE 22

Institutional Investor Voting Data, Climate-Related Shareholder Proposals, 2020

Company	Ticker	Proposal	Primary Sponsor	Investor										
				BlackRock	BNY Mellon	Capital Group	Fidelity Management & Research Co. (FMR)	Legal & General Investment Management	Northern Trust Investments	SSgA Funds Management, Inc. (State Street)	T. Rowe Price Associates, Inc.	Vanguard Group, Inc.	Wellington Management Company	
Chevron Corporation	CVX	Report on Climate Lobbying Aligned with Paris Agreement Goals	BNP Paribas	●	●	●	●	●	●	●	●	●	●	●
Chevron Corporation	CVX	Report on Petrochemical Risk	As You Sow	●	●	●	●	●	●	●	●	●	●	●
Delta Air Lines Inc.	DAL	Report on Climate Lobbying	BNP Paribas	●	●	●	●	●	●	●	●	●	●	●
Dollar Tree Inc.	DLTR	Report on Greenhouse Gas Emissions Goals	Jantz Management LLC	●	●		●	●	●	●	●	●	●	●
Exxon Mobil Corporation	XOM	Report on Risks of Petrochemical Operations in Flood Prone Areas	Park Foundation	●	●	●	●	●	●	●	●	●	●	●
J.B. Hunt Transport Services Inc.	JBHT	Report on Climate Change Initiatives	Trillium Asset Management Corp.	●	●	●	●	●	●	●	●	●	●	●
JP Morgan Chase & Co	JPM	Report on Climate Change	Brian Patrick Kariger Revocable Trust	●	●	●	●	●	●	●	●	●	●	●
JP Morgan Chase & Co	JPM	Report on Reputational Risk Related to Canadian Oil Sands, Oil Sands Pipeline Companies and Arctic Oil and Gas Exploration and Production	Oneida Trust Minors	●	●	●	●	●	●	●	●	●	●	●
Phillips 66	PSX	Report on Risks of Gulf Coast Petrochemical Investments	As You Sow	●	●		●	●	●	●	●	●	●	●
T. Rowe Price Group Inc.	TROW	Report on and Assess Proxy Voting Policies in Relation to Climate Change Position	Zevin Asset Management	●	●	●	●	●	●	●	●	●	●	●
Transdigm Group Incorporated	TDG	Adopt Quantitative Company-wide GHG Goals	Comptroller of the State of NY	●	●	●	●	●	●	●	●	●	●	●
Union Pacific Corporation	UNP	Report on Climate Change	James McRitchie	●	●	●	●	●	●	●	●	●	●	●
United Airlines Holdings, Inc.	UAL	Report on Global Warming-Related Lobbying Activities	BNP Paribas	●	●		●	●	●	●	●	●	●	●
United Parcel Service Inc.	UPS	Report on Climate Change	Trillium Asset Management Corp.	●	●	●	●	●	●	●	●	●	●	●
Yum! Brands Inc.	YUM	Report on Supply Chain Impact on Deforestation	SumOfUs	●	●	●	●	●	●	●	●	●	●	●

● For ● Against ● Abstain ● Split □ Did Not Vote

FIGURE 23

Historical Institutional Investor Vote Support for Environmental Shareholder Proposals, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Aberdeen Asset Management, Inc.	94.3	100	-	-
Aberdeen Standard Investments	-	82.4	63.6	65.2
Acadian Asset Management LLC	-	-	85.7	0
Achmea	100	88.6	66.7	76.9
Achmea Investment Management	-	0	64.7	60
AEGON Asset Management	-	100	92.3	90.5
AEGON Investment Management BV	0	100	92.3	90.9
Alberta Investment Management Corporation (AIMco)	63.6	45.5	36.4	63.2
AllianceBernstein LP	79.7	82.5	61.5	69
Allianz Global Investors	98.4	97.5	92	92.3
American Century	1.9	12.1	80	40
Amundi Asset Management	83.3	86.2	100	-
APG	94.5	90.6	77.3	84.6
AQR Capital Management LLC	87.7	79.4	71.4	68
Arrowstreet Capital	100	66.7	83.3	-
ATP	68.8	77.8	80	-
Aviva Investors	100	97.1	86.4	88
AXA Investment Managers	91.8	82.8	68.2	50
Baillie Gifford & Co.	28.6	0	25	66.7
Barings LLC	53.1	34.5	20	55.6
BlackRock	4.5	9.8	14.8	13.8
BMO Global Asset Management	85.9	80	76	71.4
BMO Investment Management	84.6	66.7	-	-
BNP Paribas Asset Management	-	100	100	94.1
BNY Mellon	21.5	32.5	14.8	34.5
British Columbia Investment Management Corporation (BCI)	86.4	82.9	73.9	70.8
Caisse de dépôt et placement du Québec	74	86.2	33.3	0
California Public Employees' Retirement System (CalPERS)	96.4	92.7	92.6	89.3
California State Teachers' Retirement System (CalSTRS)	59.1	75.6	55.6	65.5

Investor	For (%)			
	2017	2018	2019	2020
Canada Pension Plan Investment Board (CPPIB)	85.5	81.6	72	77.8
Candriam	77.8	100	100	-
Capital Group	10.2	7.7	5.3	5
Charles Schwab Investment Management, Inc.	48.5	41.5	18.5	50
CI Investments	18.8	16.7	17.6	31.3
CIBC Global Asset Management	95.2	96.7	87.5	92.3
ClearBridge Investments LLC	44.7	27.3	33.3	25
Colonial First State Global Asset Management	40.9	38.9	61.1	83.3
Columbia Threadneedle UK	83.3	44.4	37.5	53.8
Columbia Threadneedle US	42.2	38.5	20	46.4
Credit Suisse Asset Management LLC	62.5	100	100	-
Danske Bank	-	-	-	71.4
Deka Investment	100	100	-	100
Delaware Management Company (Macquarie)	54.5	82.4	50	47.4
Dimensional Fund Advisors, Inc.	0	0	0	13.8
Dodge & Cox, Inc.	0	0	0	0
DoubleLine Capital	70	0	66.7	100
DWS Investment GmbH	75	92.9	75	80
DWS Investment Management Americas, Inc.	100	97.5	70.8	89.3
Eaton Vance Management, Inc.	10	90	33.3	75
Eurizon Capital	87.5	100	100	-
Federated Investment Management Co.	30.2	42.9	11.5	40.7
Fidelity Institutional Asset Management	34	31.8	13	40
Fidelity International	15.4	63	33.3	62.5
Fidelity Management & Research Co. (FMR)	31.1	33.3	13	36
Fiera Capital Corporation	52.9	62.5	50	50
First State Investments	80	75	-	0
First Trust Advisors LP	87.5	82.5	68	67.9
Fisher Investments	80	100	100	75

FIGURE 23

Historical Institutional Investor Vote Support for Environmental Shareholder Proposals, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Florida State Board of Administration	78.8	85	92.9	73.3
Franklin Templeton Investments	13.5	18.2	12.5	21.7
GAM	-	80	50	71.4
GE Asset Management, Inc.	43.5	15.4	10	33.3
Geode Capital Management	17.2	52.5	28	50
Goldman Sachs Asset Management LP	65.6	77.5	59.3	62.1
Harris Associates LP	0	0	0	-
Hartford Investment Management Co., Inc.	47.3	36.4	20	77.8
Henderson Global Investors Ltd.	85.4	-	-	-
HSBC Global Asset Management	96.9	92.5	96	100
Invesco Advisers, Inc.	32.8	29.7	20.8	32.1
Invesco Asset Management Limited	0	29.4	29.2	43.8
Invesco Capital Management LLC	39.1	27.5	24	32.1
Investors Group	40	30	25	60
Janus Henderson Investors (UK)	78.6	83.3	68.2	72.7
Janus Henderson Investors (US)	0	40	44.4	52.6
Jennison Associates LLC	0	0	0	41.7
JPMorgan Investment Management, Inc.	20	25	3.7	58.6
Korea National Pension Service	-	-	100	0
Lazard Asset Management LLC	77.8	66.7	50	77.8
Legal & General Investment Management	98	88.6	61.9	77.8
Loomis, Sayles & Co. LP	54.5	45.5	11.1	69.2
Lord Abbett & Co. LLC	1.9	0	6.3	35.7
LSV Asset Management	54.5	40	22.2	58.3
M&G Investment Management	38.9	72.7	76.9	75
MacKay Shields LLC	86.7	83.3	70.8	70.4
Macquarie Investment Management (Australia)	-	80	66.7	-
Manulife Asset Management	83.6	81.8	63	69
MetLife Advisers, LLC	84.2	81.1	66.7	65.4

Investor	For (%)			
	2017	2018	2019	2020
MFS Investment Management, Inc.	62.7	48.1	50	57.9
Minnesota State Board of Investment	89.6	96.4	92.3	100
MN	100	100	91.7	85.7
Morgan Stanley Investment Management, Inc.	74.1	79.3	61.9	65.2
National Bank of Canada	20	-	-	-
Natixis Global Asset Management	42.9	46.7	22.2	81.3
Neuberger Berman LLC	51.2	40.7	18.8	60
New York City Pension Funds	89.8	96.9	91.7	92.3
New York State Teachers' Retirement System	39.1	41	16	44.4
NN Investment Partners	100	100	90.9	83.3
Nordea Investment Management	83.3	100	66.7	57.1
Norges Bank Investment Management	75	69.4	45	48
Northern Trust Investments	76.9	75	48	93.1
Nuveen Asset Management LLC	86.2	75.9	60	60
Ontario Teachers' Pension Plan (OTPP)	65.3	46.7	55	66.7
Oregon Investment Council	48.4	35.1	81.5	66.7
Ostrum Asset Management (Natixis)	85.2	93.8	66.7	100
Pacific Investment Management Co. (PIMCO)	44	80	87.5	-
Parametric Portfolio Associates, LLC	24.2	89.7	88	92.6
Payden & Rygel	-	0	14.3	100
PFM Asset Management LLC	-	-	15	0
PGGM Investments	98	100	90	90.9
Pictet Asset Management Limited	95.1	100	81	92
PPM America, Inc.	0	0	50	62.5
PRIMECAP Management Co.	0	0	0	0
Principal Global Investors LLC	76.2	78.9	60	50
PSP Investments	45.5	85.3	100	76
Putnam Investment Management LLC	0	13	6.3	35.3
Quantitative Management Associates, LLC	30.2	23.1	23.1	33.3

FIGURE 23

Historical Institutional Investor Vote Support for Environmental Shareholder Proposals, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
RBC Global Asset Management, Inc.	85.5	73.5	57.9	68.2
Robeco/RobecoSAM	73.3	64.3	59.1	87
Robert W. Baird & Co., Inc.	58.3	100	100	50
Royal London Asset Management	-	85.7	100	59.1
Russell Investment Management Co.	43.1	32.5	16	29.6
Schroders	62.5	48.5	63.2	61.5
SEI Investments Management Corp.	48.5	41.5	18.5	46.4
SSgA Funds Management, Inc. (State Street)	43.8	40	16	44.8
State of Wisconsin Investment Board (SWIB)	84.5	84.2	70.8	69.2
Swedbank Robur	75	100	80	-
Swisscanto	100	100	87.5	89.5
T. Rowe Price Associates, Inc.	16.7	12.5	8	14.8
TD Asset Management	84.6	80	68.2	-
Teacher Retirement System of Texas	87.7	78.1	66.7	65.2
The Dreyfus Corporation	7.8	33.3	13	-
The New York State Common Retirement Fund	96.2	95.1	88.9	100
TIAA-CREF Asset Management LLC	66.7	65.9	74.1	64.3
UBS Asset Management	67.2	94.7	88	86.2
Union Investment	47.8	53.6	36.8	42.9
United Services Automobile Association (USAA)	86	82.5	68	63
University of California	100	100	92	100
Vanguard Group, Inc.	3.1	17.5	12	21.4
Victory Capital Management, Inc.	85.7	79.5	68	67.9
Voya Investment Management	0	0	16	42.9
Washington State Investment Board (WSIB)	54	64.9	40.7	46.4
Wellington Management Company	26.3	16.1	4.8	37.5
Wells Capital Management	77.3	77.8	22.2	0
Wells Fargo Funds Management LLC	84.1	82.5	68	67.9

Political Lobbying and Contributions Shareholder Proposals

In light of the 2020 U.S. presidential election, we thought it timely to examine a subset of shareholder proposals requesting reporting on political activities. These proposals generally seek additional disclosure by the issuer in one of two ways: additional information on political contributions, or a report on lobbying payments and policies. This year, the number of these proposals going to a vote declined to 55 as compared to 64 in 2019.

Support for political lobbying and contributions shareholder proposals has steadily increased over the past four years, which mimics the overall support trend in E&S proposals. Specifically, requests for reports on lobbying payments increased from an average of 25% in 2017 to 32% in 2020. Average support for reports on political contributions increased even more during this same period, growing from 25% in 2017 to 40% in 2020. One of the potential factors driving greater support for these proposals could be changing institutional investor views on political activities and how they relate to business risks. Accordingly, investors are seeking transparency into these activities.

When taken as a group, a review of the ten major investors demonstrates a consistent increase in support for these shareholder proposals on lobbying or political contributions. Collectively the group voted in favor 16% of the time in 2017 compared to 34% this year. However, a further analysis of the ten major investors illustrates how the support for these such proposals is growing, albeit unevenly. For example, some of the major institutional investors have been consistent in their support for political lobbying and contributions proposals (example: Legal & General), while for other investors, the change in support has recently shifted notably (example: Northern Trust). Still other institutions have seen a more gradual increase in their support (example: T. Rowe Price), while Vanguard has consistently voted against these proposals since 2018.

FIGURE 24

Historical Institutional Investor Vote Support for Political Lobbying & Contributions Shareholder Proposals, 2017-2020

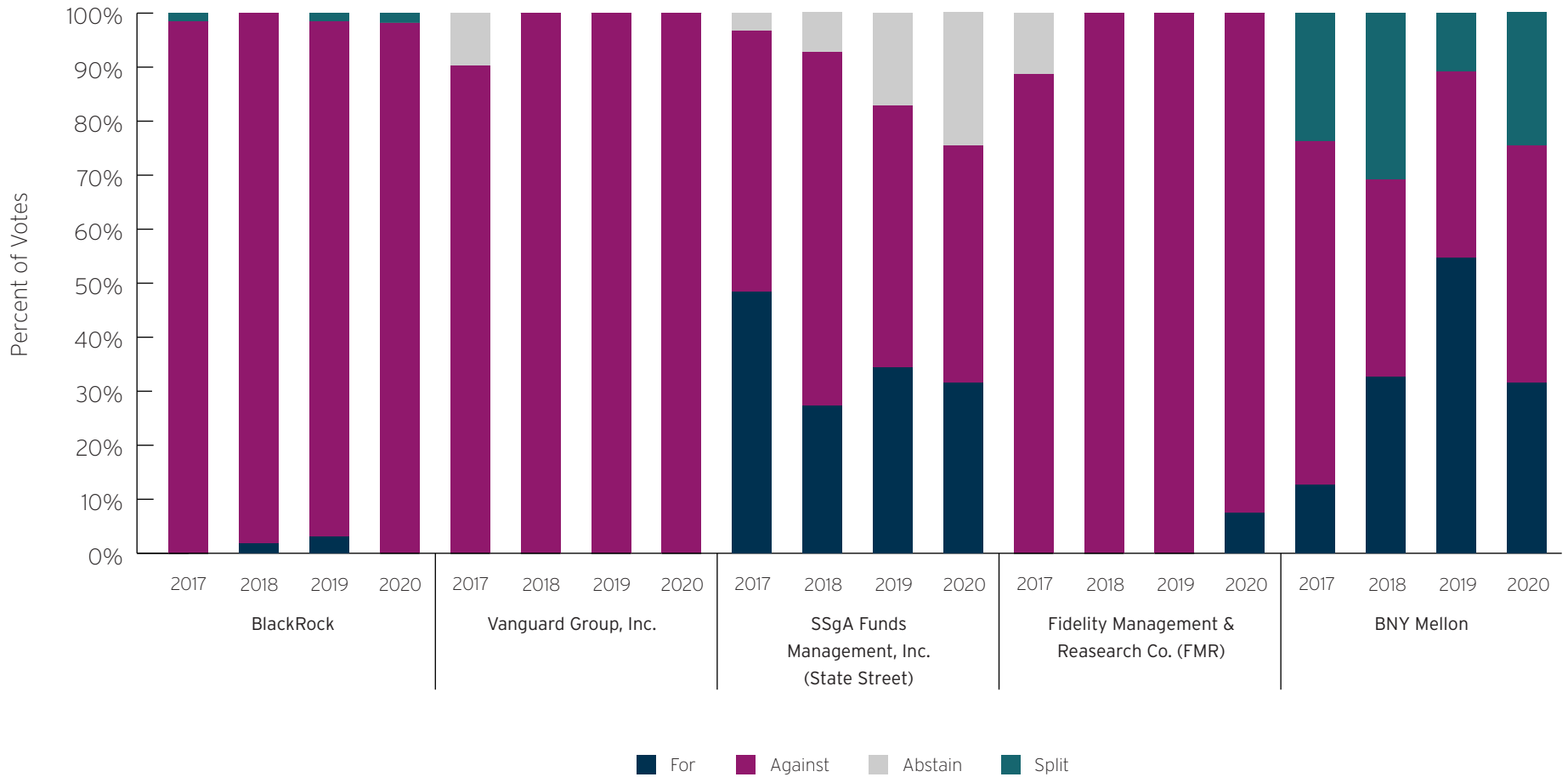
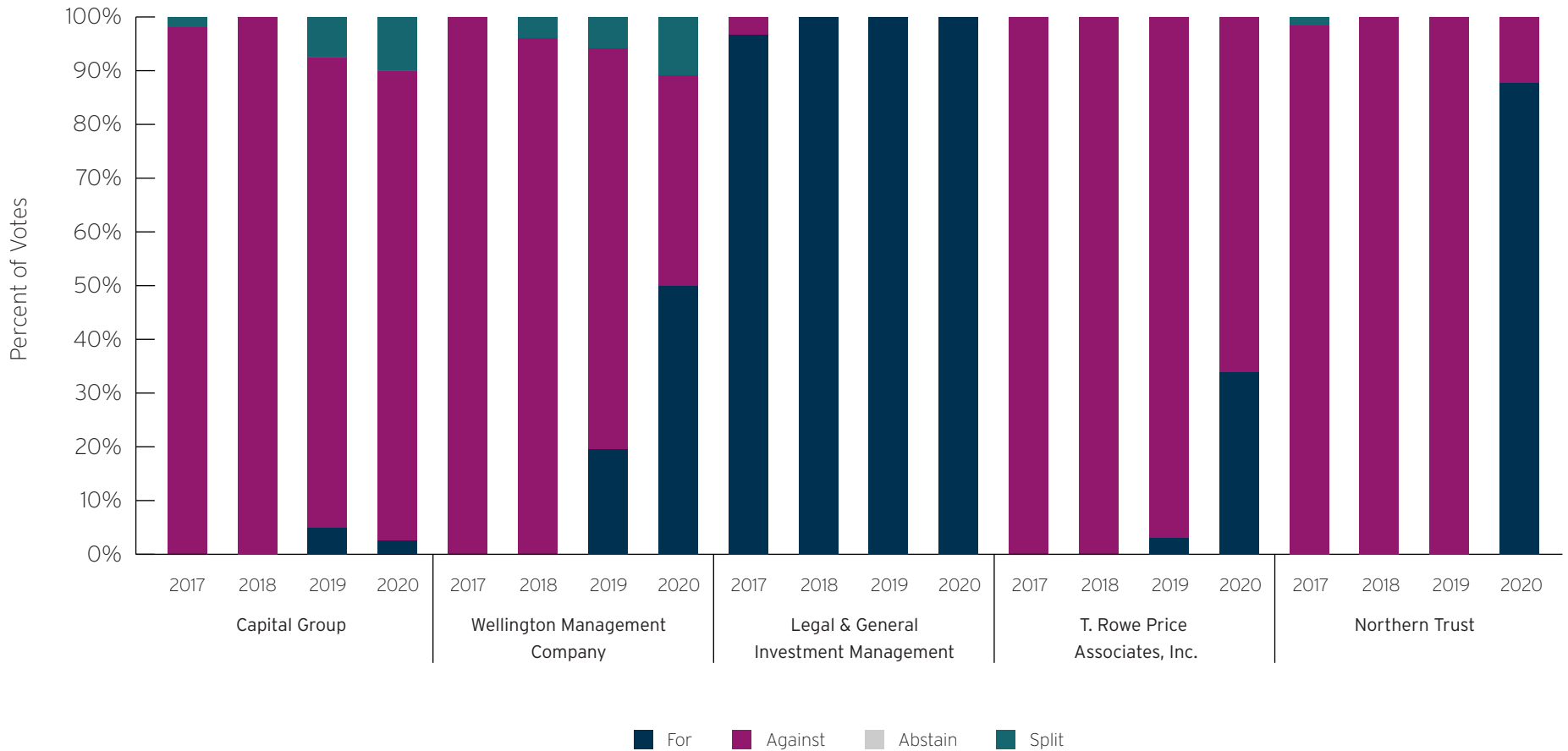


FIGURE 24

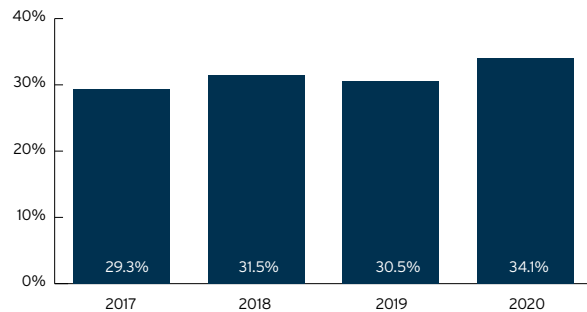
Historical Institutional Investor Vote Support for Political Lobbying & Contributions Shareholder Proposals, 2017-2020



Independent Chair Shareholder Proposals

As we noted in Part I of our ACGR, independent chair proposals, which have experienced average support in the range of 29% to 32% since 2012, saw average support jump to approximately 34% in 2020. While only one independent chair proposal passed in the previous five calendar years, two proposals received majority support this proxy season, at Boeing and Baxter International. 11 proposals received support in excess of 40% compared to four such proposals in 2019. Shareholders have been increasingly supportive of these proposals, with the COVID-19 pandemic providing a further push both due to the time commitments required of both chair and CEO roles, as well as the increased rigor of board oversight that an independent chair structure might provide during a time of crisis. We looked at the voting data to see how large investors voted for this proposal in 2020 compared to previous years. The chart below shows the percentage of shareholder proposals supported by ten major investors¹ since 2017.

% of Shareholder Proposals Supported by Ten Major Investors



Consistent with the increase seen in overall average support, these investors showed greater willingness to vote in favor of independent chair proposals in 2020. Eight of the 10 investors voted for a greater percentage of these proposals in 2020, with only State Street² and BNY Mellon showing a slight decline from 2019. Wellington showed the

largest increase in support, voting in favor of 85% of these proposals compared to approximately 59% in 2019. Investors also exhibited a wide range in their support for these proposals in 2020. Legal & General voted in favor of all the proposals while Fidelity supported none, which is consistent with how both have voted in prior years. Among the remaining investors examined, three (BlackRock, Vanguard and Northern Trust) supported less than 10% of the proposals while two (Capital Group and Wellington Investment Management) supported 80% of them. As Figure 26 demonstrates, investors outside of the major 10 examined, such as AllianceBernstein and Invesco, also increasingly supported these proposals during 2020.

Looking at individual companies, the proposal at Oracle was the most widely supported, with six of the 10 investors examined voting in favor. The proposal at each of Amazon.com and CVS Health Corporation was fully supported by only Legal & General. Both BNY Mellon and T. Rowe Price split their votes across their various funds with the remaining investors voting against both proposals.

From year to year there has been variability among these ten major investors in their support for these proposals mostly based on their case-by-case analysis of individual company circumstances. Also, the overall support at a given company depends on the proportional ownership of each of these large investors, given the wide variability in their support for these proposals.

¹ As detailed in Part II introduction, these 10 investors include BlackRock, Vanguard Group, Inc., SSGA Funds Management, Inc., Fidelity Management & Research Co., BNY Mellon, Capital Group, Wellington Management Company, Legal & General Investment Management, T. Rowe Price Associates, Inc. and Northern Trust Investments

² State Street was the only investor among the top 10 to have voted Abstain, which it did at approximately 11% of the proposals in 2020 which is approximately the same as last year.

FIGURE 25

Institutional Investor Voting Data, Independent Chair Proposals, 2020

Company	Ticker	Investor									
		BlackRock	BNY Mellon	Capital Group	Fidelity Management & Research Co. (FMR)	Legal & General Investment Management	Northern Trust Investments	SSgA Funds Management, Inc. (State Street)	T. Rowe Price Associates, Inc.	Vanguard Group, Inc.	Wellington Management Company
AbbVie Inc.	ABBV	●	●	●	●	●	●	●	●	●	●
Amazon.com Inc.	AMZN	●	●	●	●	●	●	●	●	●	●
Ameren Corporation	AEE	●	●	●	●	●	●	●	●	●	●
Amgen Inc.	AMGN	●	●	●	●	●	●	●	●	●	●
AT&T Inc.	T	●	●	●	●	●	●	●	●	●	●
Baxter International Inc.	BAX	●	●	●	●	●	●	●	●	●	●
Boeing Company (The)	BA	●	●	●	●	●	●	●	●	●	●
Bristol-Myers Squibb Company	BMJ	●	●	●	●	●	●	●	●	●	●
Capital One Financial Corporation	COF	●	●	●	●	●	●	●	●	●	●
Caterpillar Inc.	CAT	●	●	●	●	●	●	●	●	●	●
Charter Communications Inc.	CHTR	●	●	●	●	●	●	●	●	●	●
Chevron Corporation	CVX	●	●	●	●	●	●	●	●	●	●
Chipotle Mexican Grill Inc.	CMG	●	●	●	●	●	●	●	●	●	●
Cisco Systems Inc.	CSCO	●	●	●	●	●	●	●	●	●	●
Colgate-Palmolive Company	CL	●	●	●	●	●	●	●	●	●	●
CVS Health Corp	CVS	●	●	●	●	●	●	●	●	●	●
Dominion Energy Inc	D	●	●	●	●	●	●	●	●	●	●
Duke Energy Corporation	DUK	●	●	●	●	●	●	●	●	●	●
Eli Lilly and Company	LLY	●	●	●	●	●	●	●	●	●	●
Exxon Mobil Corporation	XOM	●	●	●	●	●	●	●	●	●	●
Facebook Inc.	FB	●	●	●	●	●	●	●	●	●	●
General Electric Company	GE	●	●	●	●	●	●	●	●	●	●
Gilead Sciences Inc.	GILD	●	●	●	●	●	●	●	●	●	●

● For ● Against ● Abstain ● Split □ Did Not Vote

Company	Ticker	Investor									
		BlackRock	BNY Mellon	Capital Group	Fidelity Management & Research Co. (FMR)	Legal & General Investment Management	Northern Trust Investments	SSgA Funds Management, Inc. (State Street)	T. Rowe Price Associates, Inc.	Vanguard Group, Inc.	Wellington Management Company
Incyte Corporation	INCY	●	●	●	●	●	●	●	●	●	●
International Business Machines Corporation (IBM)	IBM	●	●	●	●	●	●	●	●	●	●
Johnson & Johnson	JNJ	●	●	●	●	●	●	●	●	●	●
JP Morgan Chase & Co	JPM	●	●	●	●	●	●	●	●	●	●
Lincoln National Corporation	LNC	●	●	●	●	●	●	●	●	●	●
Mattel Inc.	MAT	●	●	●	●	●	●	●	●	●	●
NortonLifeLock Inc.	NLOK	●	●	●	●	●	●	●	●	●	●
Oracle Corporation	ORCL	●	●	●	●	●	●	●	●	●	●
O'Reilly Automotive Inc.	ORLY	●	●	●	●	●	●	●	●	●	●
Pfizer Inc.	PFE	●	●	●	●	●	●	●	●	●	●
PPL Corporation	PPL	●	●	●	●	●	●	●	●	●	●
Prudential Financial Inc.	PRU	●	●	●	●	●	●	●	●	●	●
Royal Caribbean Cruises Ltd.	RCL	●	●	●	●	●	●	●	●	●	●
Sempra Energy	SRE	●	●	●	●	●	●	●	●	●	●
Southern Company (The)	SO	●	●	●	●	●	●	●	●	●	●
Southwest Airlines Company	LUV	●	●	●	●	●	●	●	●	●	●
Sysco Corporation	SYU	●	●	●	●	●	●	●	●	●	●
Tenet Healthcare Corporation	THC	●	●	●	●	●	●	●	●	●	●
Truist Financial Corporation	TFC	●	●	●	●	●	●	●	●	●	●
Union Pacific Corporation	UNP	●	●	●	●	●	●	●	●	●	●
Walgreens Boots Alliance Inc	WBA	●	●	●	●	●	●	●	●	●	●
XPO Logistics Inc.	XPO	●	●	●	●	●	●	●	●	●	●

FIGURE 26

Historical Institutional Investor Vote Support for Independent Chair Shareholder Proposals, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Aberdeen Asset Management, Inc.	82.8	100	-	-
Aberdeen Standard Investments	-	88.9	93.5	100
Acadian Asset Management LLC	-	-	56.3	33.3
Achmea	59.1	77.8	37.2	58.3
Achmea Investment Management	100	100	37.5	55
AEGON Asset Management	-	-	-	-
AEGON Investment Management B.V.	-	83.3	100	100
Alberta Investment Management Corporation (AIMco)	100	94.7	92.3	96.7
AllianceBernstein LP	33.3	40.9	23.6	61.7
Allianz Global Investors	100	97.7	98.1	100
American Century	0	20	62	17
Amundi Asset Management	88	80	100	-
APG	100	100	100	100
AQR Capital Management LLC	64.5	71.8	39.6	56.5
Arrowstreet Capital	75	58.3	46.2	50
ATP	100	100	100	-
Aviva Investors	100	100	93.8	100
AXA Investment Managers	100	100	100	90.9
Baillie Gifford & Co.	0	0	14.3	0
Barings LLC	23.3	87.2	84	82.9
BlackRock	5.6	6.8	1.8	2.1
BMO Global Asset Management	100	88.6	98.2	97.9
BMO Investment Management	57.9	81.3	-	-
BNP Paribas Asset Management	-	100	100	100
BNY Mellon	22.2	25	14.3	10.6
British Columbia Investment Management Corporation (BCI)	96.4	100	98	100
Caisse de dépôt et placement du Québec	30.8	21.6	41.7	70

Investor	For (%)			
	2017	2018	2019	2020
California Public Employees' Retirement System (CalPERS)	100	97.7	96.4	100
California State Teachers' Retirement System (CalSTRS)	100	100	100	100
Canada Pension Plan Investment Board (CPPIB)	100	100	88	95.6
Candriam	40	70	44.4	100
Capital Group	54.2	71.9	78.4	81.6
Charles Schwab Investment Management, Inc.	0	0	0	2.1
CI Investments	30.8	46.7	67.6	80
CIBC Global Asset Management	70	71.4	98	100
ClearBridge Investments LLC	26.3	32	28.6	23.1
Colonial First State Global Asset Management	82.8	87.2	76.9	88.1
Columbia Threadneedle UK	100	100	100	100
Columbia Threadneedle US	72.2	70.5	100	100
Credit Suisse Asset Management LLC	100	100	-	-
Danske Bank	-	-	-	52.6
Deka Investment	100	100	0	100
Delaware Management Company (Macquarie)	59.1	45.8	43.3	57.5
Dimensional Fund Advisors, Inc.	0	0	0	0
Dodge & Cox, Inc.	0	0	0	0
DoubleLine Capital	0	0	9.1	0
DWS Investment GmbH	87.5	100	100	100
DWS Investment Management Americas, Inc.	2.8	61.4	73.2	58.7
Eaton Vance Management, Inc.	71.4	73.3	42.1	47.4
Eurizon Capital	100	100	100	0
Federated Investment Management Co.	100	100	98.2	100
Fidelity Institutional Asset Management	3.8	0	7	0
Fidelity International	100	97.4	82.6	92.9
Fidelity Management & Research Co. (FMR)	0	0	0	0

FIGURE 26

Historical Institutional Investor Vote Support for Independent Chair Shareholder Proposals, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Fiera Capital Corporation	90.5	60	87.5	88.9
First State Investments	100	-	66.7	100
First Trust Advisors LP	66.7	71.4	41.1	55.3
Fisher Investments	0	0	-	57.1
Florida State Board of Administration	94.4	97.6	93.8	97.4
Franklin Templeton Investments	39.3	62.5	52	50
GAM	-	82.4	71.1	83.3
GE Asset Management, Inc.	20	14.3	20	10
Geode Capital Management	11.1	4.5	16.1	10.6
Goldman Sachs Asset Management LP	8.3	0	3.6	2.1
Harris Associates LP	0	0	0	0
Hartford Investment Management Co., Inc.	86.2	86.1	92.9	90
Henderson Global Investors Ltd.	60.9	-	-	-
HSBC Global Asset Management	88.6	86.4	29.1	91.5
Invesco Advisers, Inc.	31.3	45.2	41.5	64.4
Invesco Asset Management Limited	0	30.8	64.8	90.2
Invesco Capital Management LLC	41.7	52.3	35.7	78.7
Investors Group	72.7	56	36	59.1
Janus Henderson Investors (UK)	66.7	71.8	31.1	79.5
Janus Henderson Investors (US)	92.9	78.1	68.9	88.9
Jennison Associates LLC	5.6	9.5	3.8	0
JPMorgan Investment Management, Inc.	19.4	29.5	19.6	14.9
Korea National Pension Service	100	100	100	100
Lazard Asset Management LLC	71.4	57.7	65.4	66.7
Legal & General Investment Management	100	100	100	100
Loomis, Sayles & Co. LP	93.3	85	58.6	64
Lord Abbett & Co. LLC	11.1	3.2	2.6	20

Investor	For (%)			
	2017	2018	2019	2020
LSV Asset Management	87	96	82.1	92.6
M&G Investment Management	50	71.4	85.7	94.1
MacKay Shields LLC	71.4	71.1	40	54.3
Macquarie Investment Management (Australia)	-	68.4	39.6	-
Manulife Asset Management	61.8	65.9	41.1	51.1
MetLife Advisers, LLC	0	0	0	48.9
MFS Investment Management, Inc.	19.2	25.8	20	39.4
Minnesota State Board of Investment	96.8	100	100	100
MN	100	100	100	100
Morgan Stanley Investment Management, Inc.	29.6	37.8	26.7	37.8
National Bank of Canada	0	-	-	-
Natixis Global Asset Management	76.9	76.2	86.4	93.9
Neuberger Berman LLC	84.6	20.6	14.3	26.5
New York City Pension Funds	100	100	100	100
New York State Teachers' Retirement System	5.7	6.8	5.5	2.1
NN Investment Partners	64	68.6	82.6	88.9
Nordea Investment Management	100	90	86.4	81.8
Norges Bank Investment Management	100	100	100	100
Northern Trust Investments	0	0	1.8	2.1
Nuveen Asset Management LLC	64.7	73	39.5	51.2
Ontario Teachers' Pension Plan (OTPP)	85.7	92.3	100	96.7
Oregon Investment Council	85.3	87.8	81.8	80
Ostrum Asset Management (Natixis)	39.1	32.1	66.7	75
Pacific Investment Management Co. (PIMCO)	50	77.8	34.6	50
Parametric Portfolio Associates, LLC	27.3	90.9	100	100
Payden & Rygel	-	100	100	100
PFM Asset Management LLC	-	-	13.2	50

FIGURE 26

Historical Institutional Investor Vote Support for Independent Chair Shareholder Proposals, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
PGGM Investments	100	100	100	100
Pictet Asset Management Limited	60	67.6	93	93.5
PPM America, Inc.	72.7	57.1	45.5	36.4
PRIMECAP Management Co.	72.7	16.7	8.3	5.9
Principal Global Investors LLC	63.9	72.1	40	42.6
PSP Investments	80	100	100	97.6
Putnam Investment Management LLC	30.8	5.9	4.8	14.7
Quantitative Management Associates, LLC	88.9	90.9	85.7	91.5
RBC Global Asset Management, Inc.	100	94.4	100	97.6
Robeco/RobecoSAM	88.5	100	100	100
Robert W. Baird & Co., Inc.	100	100	66.7	57.1
Royal London Asset Management	100	100	93.8	95.2
Russell Investment Management Co.	100	100	100	100
Schroders	62.5	25	13.3	39.5
SEI Investments Management Corp.	86.1	88.6	82.1	91.5
SSgA Funds Management, Inc. (State Street)	22.2	22.7	14.3	12.8
State of Wisconsin Investment Board (SWIB)	100	100	39.6	51.2
Swedbank Robur	88.9	90.9	93.3	-
Swisscanto	72.7	68.6	96.8	100
T. Rowe Price Associates, Inc.	27.8	25	32.1	40.4
TD Asset Management	58.6	72.7	37	-
Teacher Retirement System of Texas	68.6	73.2	33.3	54.8
The Dreyfus Corporation	20	25	15.1	-
The New York State Common Retirement Fund	100	100	100	100
TIAA-CREF Asset Management LLC	8.3	6.8	8.9	12.8
UBS Asset Management	96.6	95.3	94.5	97.9
Union Investment	86.4	88.6	83.3	54.5

Investor	For (%)			
	2017	2018	2019	2020
United Services Automobile Association (USAA)	61.3	68.2	41.1	4.3
University of California	100	100	100	100
Vanguard Group, Inc.	0	0	3.6	6.4
Victory Capital Management, Inc.	62.5	71.4	42.3	54.3
Voya Investment Management	0	0	5.4	10.6
Washington State Investment Board (WSIB)	82.9	88.6	82.1	93.5
Wellington Management Company	61.3	63.2	58.7	85
Wells Capital Management	23.5	66.7	60	20
Wells Fargo Funds Management LLC	54.3	72.7	60	55.3

Board Diversity and Workforce Diversity Shareholder Proposals

As noted in Part I of our ACGR, board and workforce diversity, including EEO-1 reporting proposals, saw an increase in support in 2020. In total, 71 related proposals were submitted to companies in the S&P 1500, 20 of which went to a vote with an average support of 28%, up from 21% in 2019. The number of related proposals that passed in this category, more than doubled in 2020; two employment diversity reporting proposals passed in 2019 (Travelers Company and Newell Brands) while, five related board and workforce diversity proposals passed in 2020 (Expeditors International of Washington, Inc., Fastenal Company, Fortinet, Inc., Genuine Parts Company, O'Reilly Automotive, Inc.).

Board diversity has been an area of investor focus in recent years. When examining board diversity from the perspective of the 2020 proxy season, we can view the results of related shareholder proposals as an indicator of evolving investor focus on this topic; expanding the spotlight from gender diversity of the board to now also include racial and ethnic diversity. The New York City Comptroller was a driving force behind board diversity shareholder proposals in 2020, submitting 17 to companies in the S&P 1500. As discussed in Part I the Comptroller's focus was on companies implementing policies requiring the consideration of qualified women and racially/ethnically diverse candidates for director and external CEO searches, similar to the Rooney Rule in the NFL.

Looking beyond diversity in the boardroom, this year we have seen a heightened investor focus on workforce diversity. The Comptroller launched a letter writing campaign in July 2020 in which it detailed its broadened focus on the topic of racial, ethnic and gender diversity on workforce diversity and asked companies that had issued statements in support of racial equality to release workforce racial and ethnicity data reported annually in their EEO-1 Reports. Already 34 of the companies targeted in that campaign have committed to publicly disclosing the information requested.¹ In addition, in July State Street Global Advisors issued a letter to portfolio companies indicating it will be looking for companies to provide workforce and board diversity data.

This year, workforce diversity proposals saw increased voting activity, with 12 proposals going to a vote, up from seven in 2019. As detailed in Figure 27, when examining the 2020 investor voting decisions on board and workforce diversity proposals that went to a vote this proxy season, the ten major investors appear more supportive of workforce diversity proposals, overall. The range of support for workforce diversity amongst the ten investors was 16.7% to 66.7%, with BNY supporting two of 12 and Fidelity supporting eight of twelve. The range of support for board diversity proposals was 0% to 50%, with BlackRock and Capital Group supporting zero proposals and Legal & General supporting half.

Summary of Support Levels:

Investor	Board Diversity		Workforce Diversity	
	# Supported	# Voted	# Supported	# Voted
BlackRock	0	8	3	12
BNY	1	8	2	12
Capital Group	0	5	2	7
Fidelity	3	7	8	12
Legal & General	4	8	7	11
Northern Trust	2	8	7	12
SSGA	1	8	5	12
TRP	1	8	4	12
Vanguard	1	8	5	12
Wellington	3	7	5	10

In examining the related five proposals that received majority support this season, Fidelity, Legal & General, and Northern Trust supported all of these resolutions.² Interestingly, BNY chose to split their vote on four of the five passing proposals, which likely impacted overall support rates for the twenty board and workforce diversity voted upon this season.

Georgeson continues to report on investor evolving perspectives around board and workforce diversity. For more information please review recent reports on this topic, list below:

- > [Board Diversity 2020-2021: How Investor Focus is Evolving, October 2020](#)
- > [Midwest Investor Diversity Initiative, September 2020](#)

¹ See the [Comptroller's September 28, 2020 press release](#) for additional details regarding this initiative (last accessed November 4, 2020).

² Wellington also supported all of the proposals that passed, four of five; Capital Group also supported all of the proposals that passed, one of five;

FIGURE 27

Institutional Investor Voting Data, Board Diversity and EEO-1 Reporting Shareholder Proposals, 2020

Company	Ticker	Proposal	Investor											
			BlackRock	BNY Mellon	Capital Group	Fidelity Management & Research Co. (FMR)	Legal & General Investment Management	Northern Trust Investments	SSgA Funds Management, Inc. (State Street)	T. Rowe Price Associates, Inc.	Vanguard Group, Inc.	Wellington Management Company		
Amazon.com Inc.	AMZN	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
Arthur J. Gallagher & Co.	AJG	Adopt Board Diversity Policy	●	●		●	●	●	●	●	●	●	●	●
Berkshire Hathaway Inc.	BRK.B	Adopt Board Diversity Policy	●	●	●	●	●	●	●	●	●	●	●	●
Boeing Company (The)	BA	Adopt Board Diversity Policy	●	●	●	●	●	●	●	●	●	●	●	●
Charles Schwab Corp/The	SCHW	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
CorVel Corp.	CRVL	Report on EEO	●	●		●		●	●	●	●	●	●	●
Costco Wholesale Corporation	COST	Adopt Board Diversity Policy	●	●	●	●	●	●	●	●	●	●	●	●
Deere & Company	DE	Adopt Board Diversity Policy	●	●	●	●	●	●	●	●	●	●	●	●
Eli Lilly and Company	LLY	Adopt Board Diversity Policy	●	●	●	●	●	●	●	●	●	●	●	●
Expeditors International of Washington Inc.	EXPD	Adopt Board Diversity Policy	●	●		●	●	●	●	●	●	●	●	●
Fastenal Company	FAST	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
Fortinet Inc.	FTNT	Report on EEO	●	●		●	●	●	●	●	●	●	●	●
Genuine Parts Company	GPC	Report on EEO	●	●		●	●	●	●	●	●	●	●	●
Home Depot Inc. (The)	HD	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
IPG Photonics Corporation	IPGP	Adopt Board Diversity Policy	●	●			●	●	●	●	●	●		
Marriott International	MAR	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
Netflix Inc.	NFLX	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
O'Reilly Automotive Inc.	ORLY	Report on EEO	●	●		●	●	●	●	●	●	●	●	●
Starbucks Corporation	SBUX	Report on EEO	●	●	●	●	●	●	●	●	●	●	●	●
Twitter, Inc.	TWTR	Report on EEO	●	●		●	●	●	●	●	●	●		

● For ● Against ● Abstain ● Split □ Did Not Vote

State Street Director Vote Support

As previously discussed, State Street Global Advisors (State Street, or SSGA) announced in January its intention to vote against certain directors at companies with poor R-Factor scores.¹ Additionally, State Street added a policy to its 2020 proxy voting and engagement guidelines allowing for negative votes on the chair or members of the nominating committee at S&P 500 companies where the chair and CEO roles are combined and there is no lead independent director or independent deputy chair. It also revised the number of total allowable board mandates a director may hold without being considered “overboarded”:

- › Reducing the number of allowable seats for a CEO by one (to two, total), and broadening this category to apply to all NEOs
- › Breaking out board chairs and lead independent directors into their own category (permitting three allowable seats, total); and
- › Decreasing the total number of allowable board seats for other director nominees by two, to four, total

Based on these factors alone, we expected to see an increase in the number of directors that receive an against or withhold vote from State Street this year. Our voting analysis confirmed State Street voted against or withhold on almost twice as many directors as it did in 2019, the first annual decrease in their support rate over the past four years:

	2017	2018	2019	2020
For	95.0%	95.1%	95.6%	92.0%
Against/Withhold	5.0%	4.9%	4.4%	8.0%

Further analysis reveals the combined impact of State Street’s policy changes affecting director elections has been even more widely felt than the 92% support rate initially indicates. Because State Street’s new voting policies largely targeted individual directors, as opposed

to committees or boards, the distribution of against/withhold votes was quite wide this year. Most of the negative votes from State Street were in cases where just a single director at a given company did not receive its support. Consequently, as high as State Street’s overall support rate was, it voted against or withhold on at least one director at 217 different companies in the S&P 500—43% of the S&P 500 meetings at which State Street voted this past season.

217 S&P 500 companies received a negative vote from State Street on at least one director

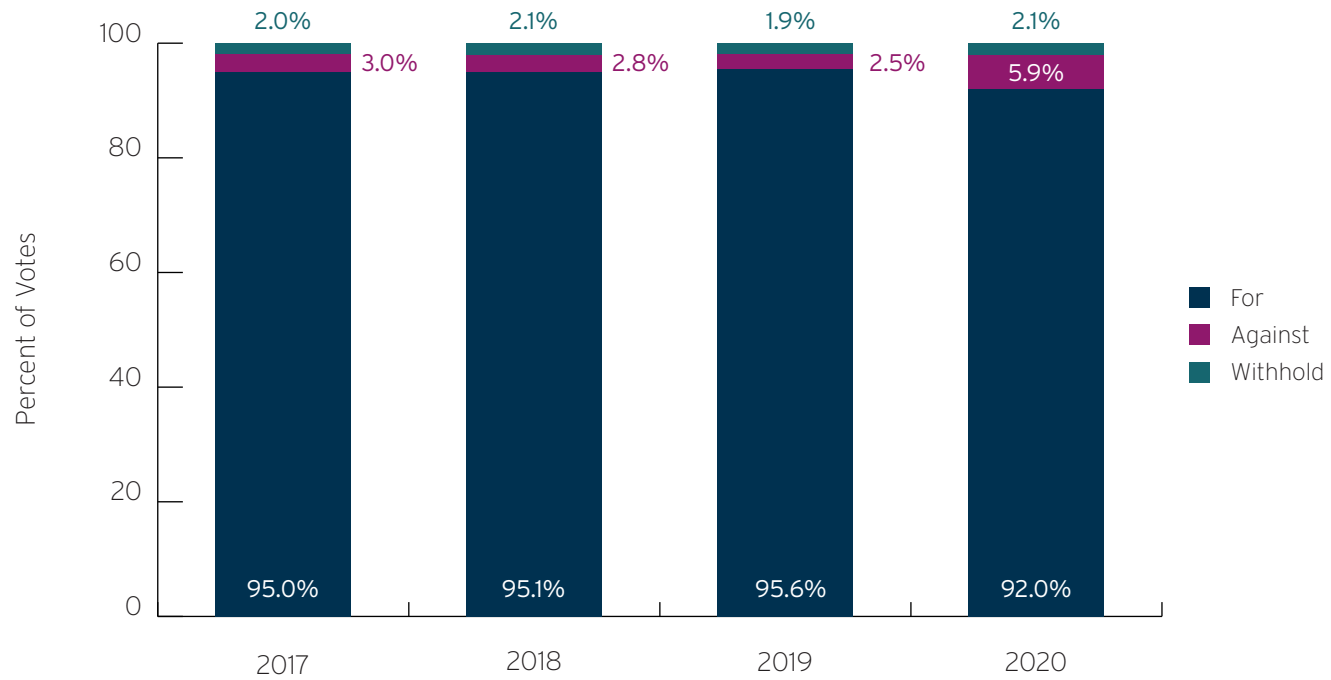
The impact to these directors was noticeable: directors who received a negative vote from State Street on average saw 8.2 percentage points greater against/withhold rates as compared to their fellow directors, and other historical predictors of risk were not always helpful. For example, ISS issued a negative recommendation in just 16.5% of the cases where State Street cast a negative vote. This is likely indicative of the gap between State Street’s and ISS’ allowable board seats, in at least some instances.

In light of State Street’s voting record for 2020, combined with the typically large position that they may have in a company, this data highlights the importance of understanding State Street’s proxy voting and engagement guidelines and, accordingly, of screening for risk to support for directors.

¹ R-Factor™ scores draw on multiple data sources and leverage SASB’s materiality framework and the Investor Stewardship Group’s governance principles to generate ESG scores for listed companies. See <https://www.ssga.com/sg/en/institutional/ic/capabilities/esg/data-scoring/r-factor-transparent-esg-scoring> for additional information regarding R-Factor. <https://www.georgeson.com/us/state-street-letter-to-directors-and-r-factor-requests>

FIGURE 28

State Street Global Advisors Director Election Data, S&P 500, 2017-2020



Executive Compensation Proposals

Average support for say-on-pay proposals at S&P 1500 companies continued to remain high with approximately 91% average votes cast in favor in 2020. Although 75% of the proposals received greater than 90% vote support this year compared to 78% of such proposals in 2019, the failure rate fell to 1.7% in 2020 (26 companies) compared to 2.1% in 2019 (30 companies). The combined average support by the Big 3 investors – BlackRock, Vanguard and State Street – of approximately 96% remained largely unchanged from last year. Among the top 25 investors, based on assets under management, BlackRock and Aberdeen Standard Investments were at the two ends of the spectrum in their support for the proposal voting in favor of approximately 98% and 23% of the proposals, respectively. Compared to the prior year, the biggest increase in support was by Legal & General who voted in favor of approximately 57% of proposals in 2020 while supporting about 46% in 2019. The largest percentage decline in support was by Natixis Global Asset Management who voted in favor of fewer proposals with its support of proposals dropping from about 91% in 2019 to 49% in 2020, a decline of approximately 42 percentage points.

As companies continue to deal with the COVID-19 crisis and its impact on their business plans and performance, any adjustments made to executive pay are likely to draw additional scrutiny for the say-on-pay proposal at their upcoming meeting in 2021. The scrutiny

will be heightened particularly for companies that are in sectors that experienced the biggest declines in share price and financial performance. Also, companies that had pay issues in the past are less likely to be afforded flexibility compared to others that have had a good track record. Any changes made to the short-term incentive awards are likely to be seen as more acceptable than those to the long-term awards covering multi-year periods. Reducing at risk pay or allowing for easier targets, especially without a corresponding reduction in pay opportunity, is likely to be viewed negatively.

It is critical that companies provide enhanced disclosure of any changes made to their executives' pay programs, clearly communicating the rationale and the impact on pay outcomes of such changes. Companies should also disclose whether the changes are temporary or are longer-term due to permanent impact of COVID-19 on their businesses. Along with increased disclosure, effective engagement with shareholders will be key in gaining support from the shareholders during this period of crisis.

FIGURE 29

Historical Institutional Investor Vote Support for Say-on-Pay for the S&P 1500, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Aberdeen Standard Investments	-	20.9	27.1	23.3
Acadian Asset Management LLC	-	14.3	88.8	91
Achmea	75.8	25.5	24.2	21.3
Achmea Investment Management	72.7	14.3	24.1	27.1
AEGON Asset Management	-	75	80.3	80.4
AEGON Investment Management B.V	50	75.8	80.3	82.2
AllianceBernstein LP	92.6	89.9	89.6	91.9
Allianz Global Investors	30	16.4	8.5	8.6
American Century	89.8	89.9	87.9	89.9
AMP Capital	0	50	0	0
Amundi Asset Management	50.9	59.9	62.1	Not Yet Disclosed
APG	43.2	43.1	31.2	34
AQR Capital Management LLC	91.2	89.7	90.9	92
Arrowstreet Capital	89.1	94.6	88.9	92.5
Aviva Investors	14.2	19.6	25.6	29.3
AXA Investment Managers	90.1	90	63.2	45.1
Baillie Gifford & Co.	68.2	72.7	75.3	68.4
Barings LLC	87.7	88.6	89	87.3
BlackRock	97.6	97.4	98.4	98.2
BMO Global Asset Management	19.2	22.6	23.5	28.3
BNP Paribas Asset Management	-	30.9	14.1	5
BNY Mellon	60.3	58.1	73.4	73.9
British Columbia Investment Management Corporation (BCI)	60.4	66	66.4	62.4
Caisse de dépôt et placement du Québec	78.3	79.4	90.8	89.8
California Public Employees' Retirement System (CalPERS)	83.8	59.4	49.8	54.8
California State Teachers' Retirement System (CalSTRS)	83.9	86.9	87.5	68.9
Canada Pension Plan Investment Board (CPPIB)	87.8	88.7	85.2	85.7
Candriam	90.3	89	92.5	90.9
Capital Group	80.3	78.1	78.6	81.9

Investor	For (%)			
	2017	2018	2019	2020
Charles Schwab Investment Management, Inc.	95.7	94.6	94.1	95.5
CI Investments	88.3	93.4	90.2	89.4
CIBC Global Asset Management	90.5	89.4	90.7	91.9
ClearBridge Investments LLC	93.4	89.7	93.8	92.2
Colonial First State Global Asset Management	86.8	88.8	80.1	74.6
Columbia Threadneedle UK	62	84	92.3	87
Columbia Threadneedle US	87.4	87.6	88.4	85.8
Credit Suisse Asset Management LLC	89.4	87.7	100	50
Deka Investment	40.7	46.7	52.2	57.9
Delaware Management Company (Macquarie)	92.9	91.7	90.5	88
Dimensional Fund Advisors, Inc.	82.3	81.2	83.8	80.4
Dodge & Cox, Inc.	100	100	100	100
DoubleLine Capital	0	3	88.1	100
DWS Investment GmbH	86.8	77.1	75.5	82.5
DWS Investment Management Americas, Inc.	90.9	89	86.6	89.4
Eaton Vance Management, Inc.	91	91	91.6	91.3
Eurizon Capital	76.5	100	93.3	100
Federated Investment Management Co.	92.6	92.8	93.2	91.9
Fidelity Institutional Asset Management	95.4	96.5	95.7	93.8
Fidelity International	81.4	74.1	79	80.9
Fidelity Management & Research Co. (FMR)	96.7	95.8	95	94.7
Fiera Capital Corporation	83.3	84.9	87.3	94.1
First State Investments	100	100	100	83.3
First Trust Advisors LP	90.7	89.1	90.2	91.8
Fisher Investments	92.3	95.6	93.7	91.7
Florida State Board of Administration	60.6	47.5	36.3	36.9
Franklin Templeton Investments	90.6	90.2	88.6	85.4
GAM	-	90	88.5	88.1
GE Asset Management, Inc.	92.4	87.3	91.4	86.3

FIGURE 29

Historical Institutional Investor Vote Support for Say-on-Pay for the S&P 1500, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Geode Capital Management	90.7	89	90.9	92.9
Goldman Sachs Asset Management LP	98.1	90.4	90	90.1
Harris Associates LP	98.5	100	100	100
Hartford Investment Management Co., Inc.	87.1	89.8	87.3	85.4
HSBC Global Asset Management	1.9	2.9	39.3	49.3
Invesco Advisers, Inc.	90	88.2	89.1	91.3
Invesco Asset Management Limited	97.5	92.7	89.6	92.1
Invesco Capital Management LLC	91.2	89.7	88.9	92.2
Investors Group	90.3	92.5	90.5	91.3
Janus Henderson Investors (UK)	75.9	90	89.3	89.3
Janus Henderson Investors (US)	88	88	88.6	92.4
Jennison Associates LLC	86.7	90	90	88.4
JPMorgan Investment Management, Inc.	92.9	91.9	91.9	90.8
Korea National Pension Service	88.2	82.4	84.6	92.3
Lazard Asset Management LLC	92	95	89.8	93.1
Legal & General Investment Management	60.9	53.1	45.9	57.2
Loomis, Sayles & Co. LP	91.8	90.5	90.1	88.4
Lord Abbett & Co. LLC	97.1	96.5	97.1	98
LSV Asset Management	89.3	88.4	89.8	84.6
Lyxor	-	100	100	0
M&G Investment Management	94.2	95.6	96.3	96.3
Mackay Shields LLC	93.6	89.2	90.4	90.9
Macquarie Investment Management (Australia)	-	89	87.8	Not Yet Disclosed
Manulife Asset Management	90.8	87.8	89.9	91.6
MetLife Advisers, LLC	90.8	89	90.2	91.8
MFS Investment Management, Inc.	94.2	91.6	92.8	91.6
Minnesota State Board of Investment	35.5	26.9	29.7	34.1
MN	0.4	0.7	1.4	0.4
Morgan Stanley Investment Management, Inc.	88.3	88.2	81.7	77.3

Investor	For (%)			
	2017	2018	2019	2020
Natixis Global Asset Management	73.1	75.5	90.7	48.8
Neuberger Berman LLC	89	91.6	88.7	88.4
New York City Pension Funds	69.1	77.8	80.4	77.6
New York State Teachers' Retirement System	88	88.2	88.4	67.6
NN Investment Partners	89.6	30.2	8.9	5.7
Nordea Investment Management	1.5	7.6	5.8	27.1
Norges Bank Investment Management	93.2	91.5	92.1	94.9
Northern Trust Investments	98.4	98.7	96.9	96.5
Nuveen Asset Management LLC	90.4	89.9	90.2	90.1
Ontario Teachers' Pension Plan (OTPP)	84.6	81.7	78.5	74.7
Oregon Investment Council	87.5	87.8	76.7	71.7
Ostrum Asset Management (Natixis)	3.6	33.9	42.9	40
Pacific Investment Management Co. (PIMCO)	96.2	83.2	86.5	86.4
Parametric Portfolio Associates, LLC	90.1	78.1	76.3	77
Payden & Rygel	75	94.1	92	85.7
PFM Asset Management LLC	-	50	91.8	93.2
PGGM Investments	2.6	1.9	2.5	3.5
Pictet Asset Management Limited	93.7	90.7	90.8	90.2
PPM America, Inc.	94.4	93.3	90.3	90.7
PRIMECAP Management Co.	97.2	98.7	96.6	96.1
Principal Global Investors LLC	88.2	89.2	90	90.2
Prudential Global Investment Management	85	94.7	92.9	96.9
PSP Investments	77.2	86.9	90.7	90.7
Putnam Investment Management LLC	94.1	91.9	93.7	86.4
Quantitative Management Associates, LLC	89.8	89.4	84.6	85.3
RBC Global Asset Management, Inc.	91.2	87	87.9	90.2
Robeco/RobecoSAM	47.9	57.1	54	56.6
Robert W. Baird & Co., Inc.	89.4	91.7	91.4	91.5
Royal London Asset Management	14.3	26.4	29.7	34.3

FIGURE 29

Historical Institutional Investor Vote Support for Say-on-Pay for the S&P 1500, 2017-2020

Investor	For (%)			
	2017	2018	2019	2020
Russell Investment Management Co.	84.6	84.7	85.4	83.3
Schroders	67.6	62.1	59.7	51.4
SEI Investments Management Corp.	87.1	87.5	88.1	86.1
SSgA Funds Management, Inc. (State Street)	95.1	91.7	91.5	93.5
State of Wisconsin Investment Board (SWIB)	75.3	87.7	89.2	90.5
Swedbank Robur	3.9	5.2	2.6	0
Swisscanto	68.2	67.9	71.5	78.2
T. Rowe Price Associates, Inc.	92.8	92.6	90.4	90.6
TD Asset Management	90.3	91.2	90.2	Not Yet Disclosed
Teacher Retirement System of Texas	90.4	89.8	91.4	92.3
The Dreyfus Corporation	61	58.2	73.9	85.7
The New York State Common Retirement Fund	75.6	74.8	74.1	73
TIAA-CREF Asset Management LLC	97.2	95	92.7	89.8
UBS Asset Management	88.9	66.8	27.5	19.8
Union Investment	49.3	41.6	37.5	26.4
United Services Automobile Association (USAA)	91.5	88.9	89.9	91.2
University of California	88.2	85.3	85.1	85.3
Vanguard Group, Inc.	97.3	95.7	96.1	96.6
Victory Capital Management, Inc.	91.4	90	90.5	91.5
Voya Investment Management	93.8	92.9	92.9	80.9
Washington State Investment Board (WSIB)	86.3	87.3	87.7	86.1
Wellington Management Company	93.6	93.7	94.6	89.7
Wells Capital Management	92.1	93.4	90.7	89.5
Wells Fargo Funds Management LLC	91.3	89.3	90.4	91.6

M&A and Activism

During the period July 1, 2019 to June 30, 2020, total M&A and Activism activity in the U.S. decreased. In the second half of the period under review, the decrease was principally driven by the impact of the COVID-19 pandemic. Particularly in March and April, share prices fell dramatically and market volatility increased significantly. Activists sat on the sidelines, as it was hard to fundraise, and the market uncertainty complicated the valuation process. Accordingly a number of M&A deals were terminated or withdrawn. Additionally, some activists used the slowdown in transactions and increased market volatility as an opportunity to reposition their portfolios and maintain adequate liquidity. More recently, there has been a resurgence in the M&A market.

“U.S. activist investors are looking beyond their country’s borders. Unsurprisingly, there is a distinct interest in UK companies. There are already many examples of U.S. activists directing efforts at UK companies, [including] ... Trian’s interest in Ferguson plc and CatRock Capital’s Just Eats takeover by Takeaway.com.”



**Cas Sydorowitz, Global Head
of Activism and M&A**

TRADITIONAL ACTIVISM

The main demands from activist investors continued to be improvements in the company’s financial performance, governance and board effectiveness. In many cases, an activist may obtain one or more board seats via a settlement agreement with the target. One interesting trend this past proxy season was the relatively high number of board seat campaigns seeking a majority of the board, and the success achieved in many of those campaigns. Below are some of the notable traditional activist campaigns over the past year.

> **GameStop/Hestia**

GameStop has been the focus of activist interest for at least the last two years. In particular, Hestia Capital and Permit Capital have agitated for change at the electronic gaming retailer. In September 2019, shares in GameStop fell after the company posted a wider-than-expected quarterly loss and lowered its full-year profit guidance. In March 2020, Hestia and Permit nominated two candidates to the GameStop board. Additional activists, including Scion Asset Management, also acquired shares in the company. Discussion between the parties grew contentious. At GameStop’s annual meeting in June 2020, two additional directors were elected to the company’s board of directors.

› **GCP Applied Technologies/Starboard**

Starboard began acquiring shares in GCP in 2018-19. The activist encouraged the company to improve operating performance and explore strategic alternatives, including a sale. In early 2019, Starboard won two seats on the GCP board. Starboard remained critical of GCP's efforts to improve performance. Consequently, in January 2020 it nominated an additional nine members to GCP's board contending that the company "has suffered from a prolonged period of disappointing operating and financial results, poor corporate governance, and excessive executive compensation," despite its strong product portfolio and market positioning. Notably, at GCP's annual meeting in May, Starboard won a majority of seats (an additional eight) on the company's board.

› **Mack-Cali Realty/Bow Street**

In June 2019, Bow Street won four seats on the Mack-Cali board. Bow Street had been critical of the company's stock performance, as well as what it considered strategic missteps by the company. It recommend the real estate firm consider a sale of assets. In March 2020, Bow Street nominated additional members to Mack-Cali's board, citing displeasure with the firm's failure to effect a sale of assets. A contentious, months-long contest for control of the firm ensued. In June 2020, Bow Street won eight board seats on the Mack-Cali board and thus won control of the company.

› **Nielsen/Elliott**

Nielsen, the TV ratings company, has been the subject of investor focus for some time. In 2019, the company attempted unsuccessfully to sell parts or the whole of the business to private equity investors. Under pressure from Elliott, Nielsen announced last November its intention to split its business into two separate entities. Additionally, in April 2020 the firm added an experienced media veteran to its board and made a number of additional governance enhancements. More recently, Nielsen unveiled an optimization plan that involves cost savings and operational efficiencies. This transaction is also an example of Elliott's change in strategy to focus more on "operational" or "constructivist" activism.

ESG ACTIVISM; COMPENSATION-RELATED ACTIVISM

ESG Activism

Investor focus on a company's ESG characteristics represents a new form of activism. One strand of this activity relates to the increasing number of ESG-focused activist funds. A similar development involves activists focusing on a company's compensation practices which they consider to be misaligned or not fit for purpose. Two notable examples are below.

› **Jeffrey Ubben/Inclusive Capital Partners**

Jeffrey Ubben is the founder of ValueAct Capital Partners. In June 2020, he relinquished his position at the firm and announced the formation of Inclusive Capital Partners. The new fund's investment thesis will be to invest in the types of companies that sustainable funds often avoid - such as oil and gas, chemicals, food processing and for-profit education. He believes that disfavored companies offer the greatest potential to effect positive social and environmental change and become upwardly re-valued in the process. Moreover, Ubben is critical of some of the wider ESG efforts, believing they have been productized and that they invest in the same few large-cap stocks. Ubben described Inclusive Capital as the next iteration of his career in this space. Ubben will continue managing the ValueAct Spring Fund after he transitions to Inclusive Capital Partners. The entire ValueAct Spring Fund investment team has moved to Inclusive with Ubben.

Compensation-Related Activism

› **Emerson Electric Co/D.E. Shaw**

D.E. Shaw Management has been a long term investor in Emerson Electric Co.

The fund has been critical of Emerson's approach to corporate governance issues, executive compensation and the board's effectiveness. The fund expressed concern that only one Emerson director on the ten-member board had bought company stock with their own money in the last year. In Shaw's view, this could suggest that board members are not appropriately invested in the company's performance.

In October 2019, Shaw pushed for sweeping changes at the company. Specifically, the fund recommended that the company split into two separate entities - a pure-play industrial automation business and a climate technology-focused business.

In response to the activist's demands, Emerson appointed a new independent director to its board. The company also pledged to add corporate governance issues to its strategic review. Notably, Emerson also agreed to review its executive compensation program and add a returns-focused metric to the company's long-term incentive plan.

In February 2020, Emerson unveiled a \$425 million cost reduction plan and a series of operational changes aimed at enhancing its financial performance. The firm chose not to split its businesses in two. Shaw commended Emerson's "constructive actions," pledging to maintain close engagement with the firm on its strategy and operations review.

M&A Activism

As noted above, M&A activism in the second half of the period under review was substantially reduced due to the COVID pandemic.

"We are expecting to see more deals in the coming months and into 2021. It is quite possible we could also see more investor opposition depending on premiums, terms, etc. Historically speaking it has proven to be a difficult task for an activist to achieve their goal of achieving a higher premium or scrapping the deal altogether. The activist must gain traction with other shareholders that there are underlying problems with the deal. Either that the process was somehow flawed, or that staying independent is a better strategy compared with the transaction on the table."



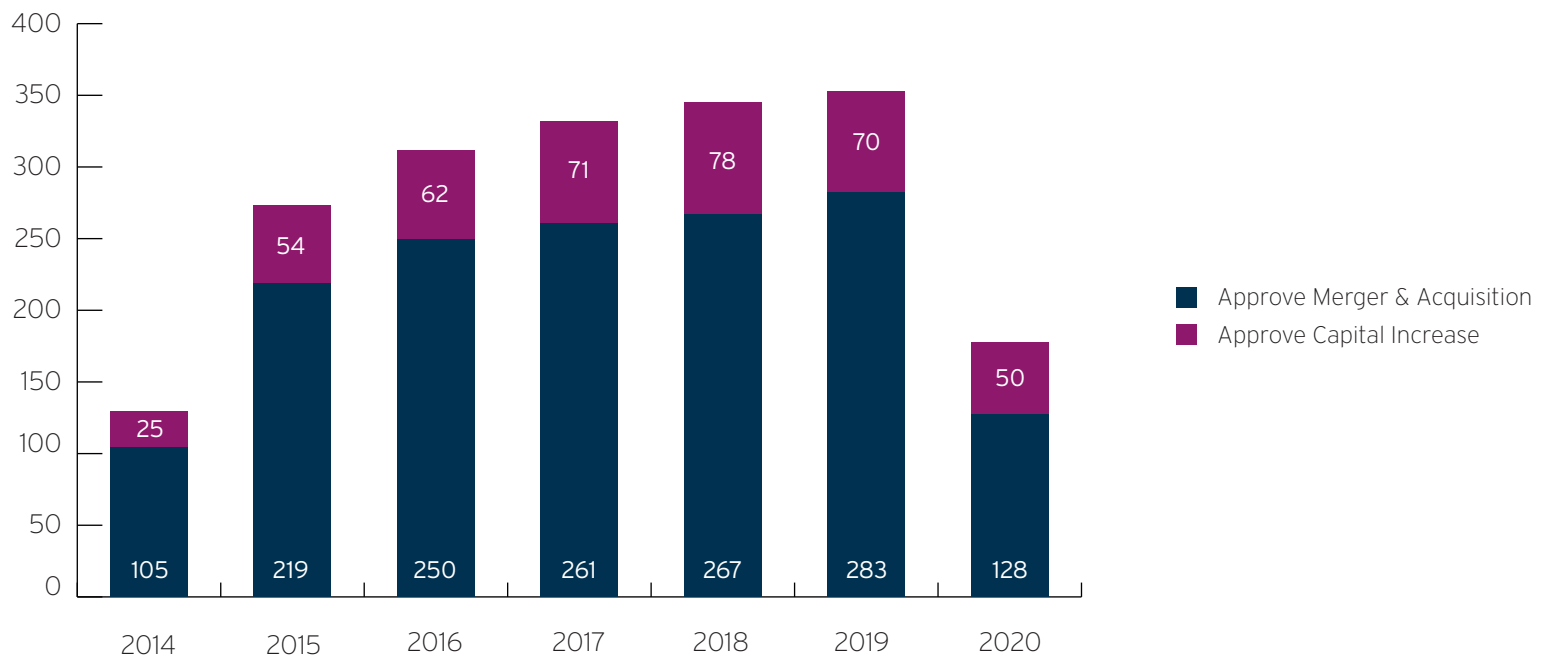
**William P. Fiske, Head of M&A
and Contested Situations > US**

Special Purpose Acquisition Companies (SPACs)

One significant trend for 2020 has been the tremendous growth of funds flowing into Special Purpose Acquisition Companies or SPACs. SPAC sponsors have raised over \$20 billion in the period under review. Typically, a SPAC will raise funds through an initial public offering; the sponsor will likely have expertise in a particular industry or sector. The SPAC will then invest the funds raised in target businesses. In 2020, some activist investors, including Pershing Square Capital, have attracted substantial assets into newly-created SPACs.

FIGURE 30

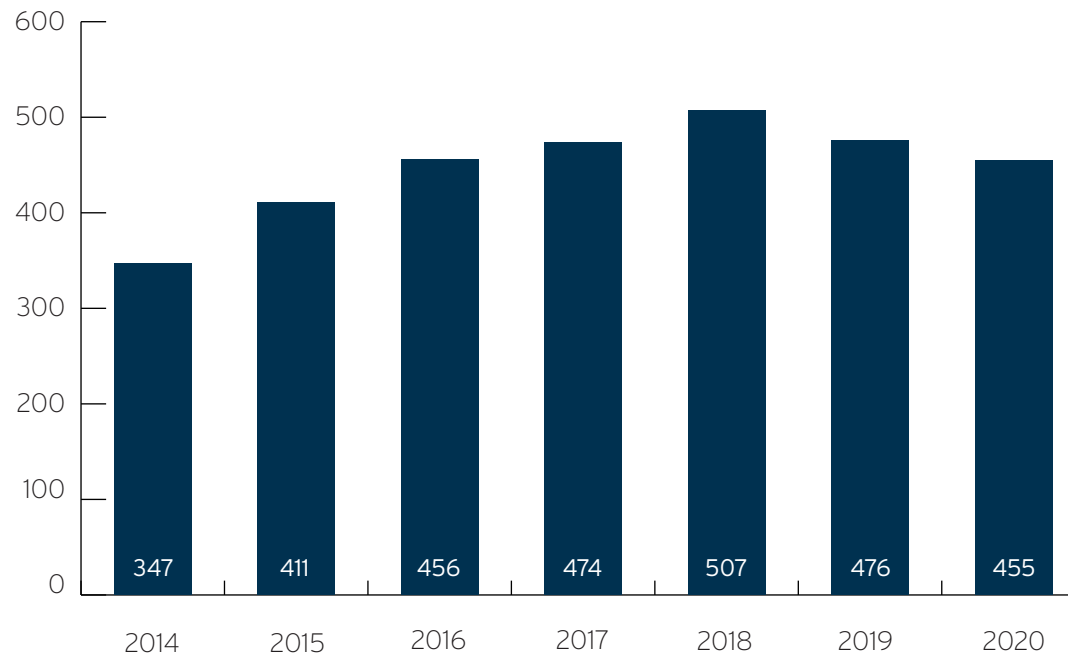
M&A Activity, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

FIGURE 31

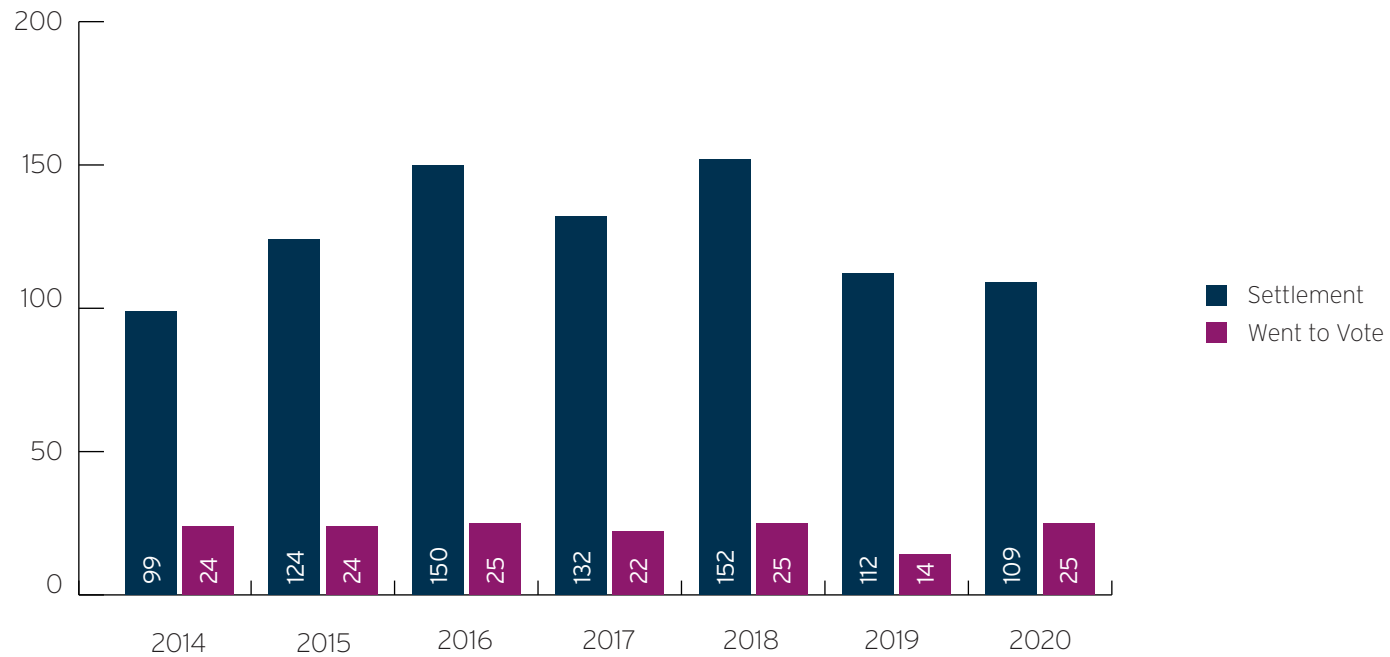
Number of U.S. Companies Publicly Subjected to Activist Demands, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

FIGURE 32

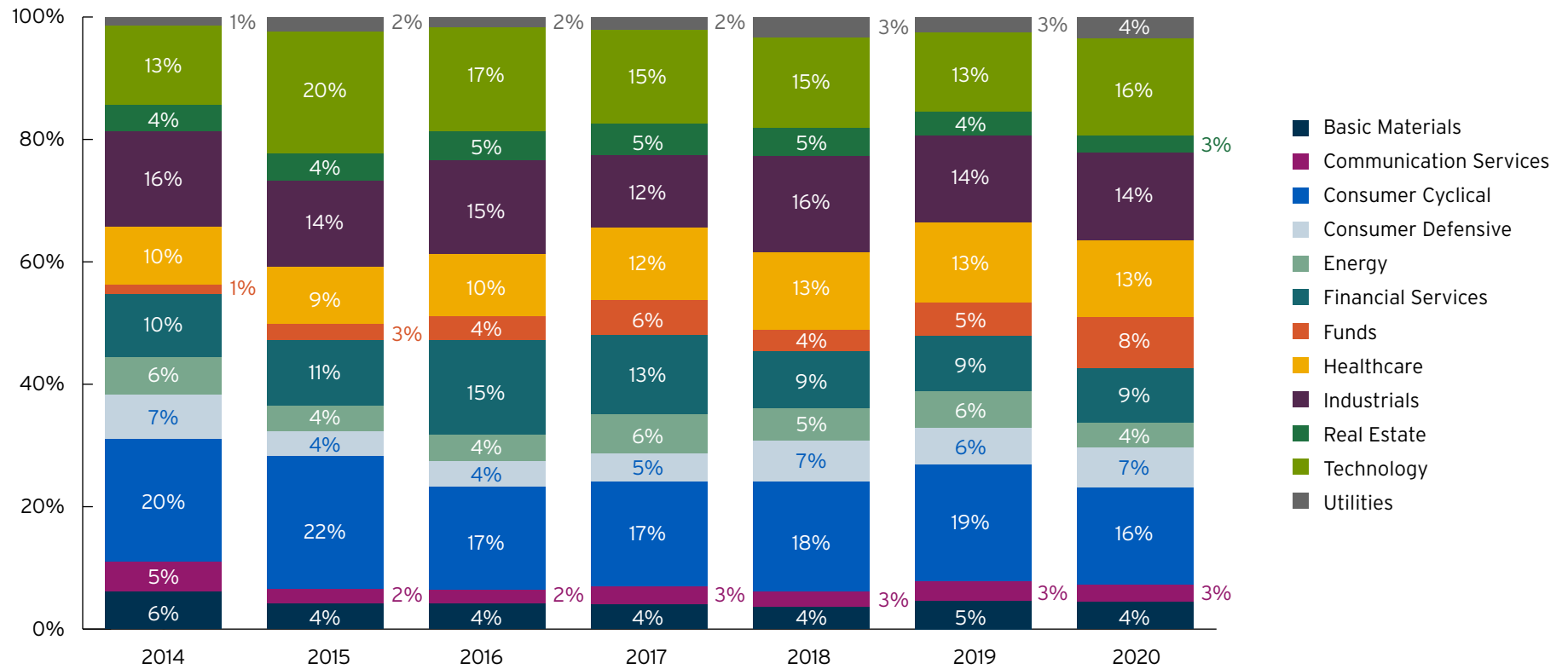
Outcomes of Activist Demands for Board Representation at U.S. Companies, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

FIGURE 33

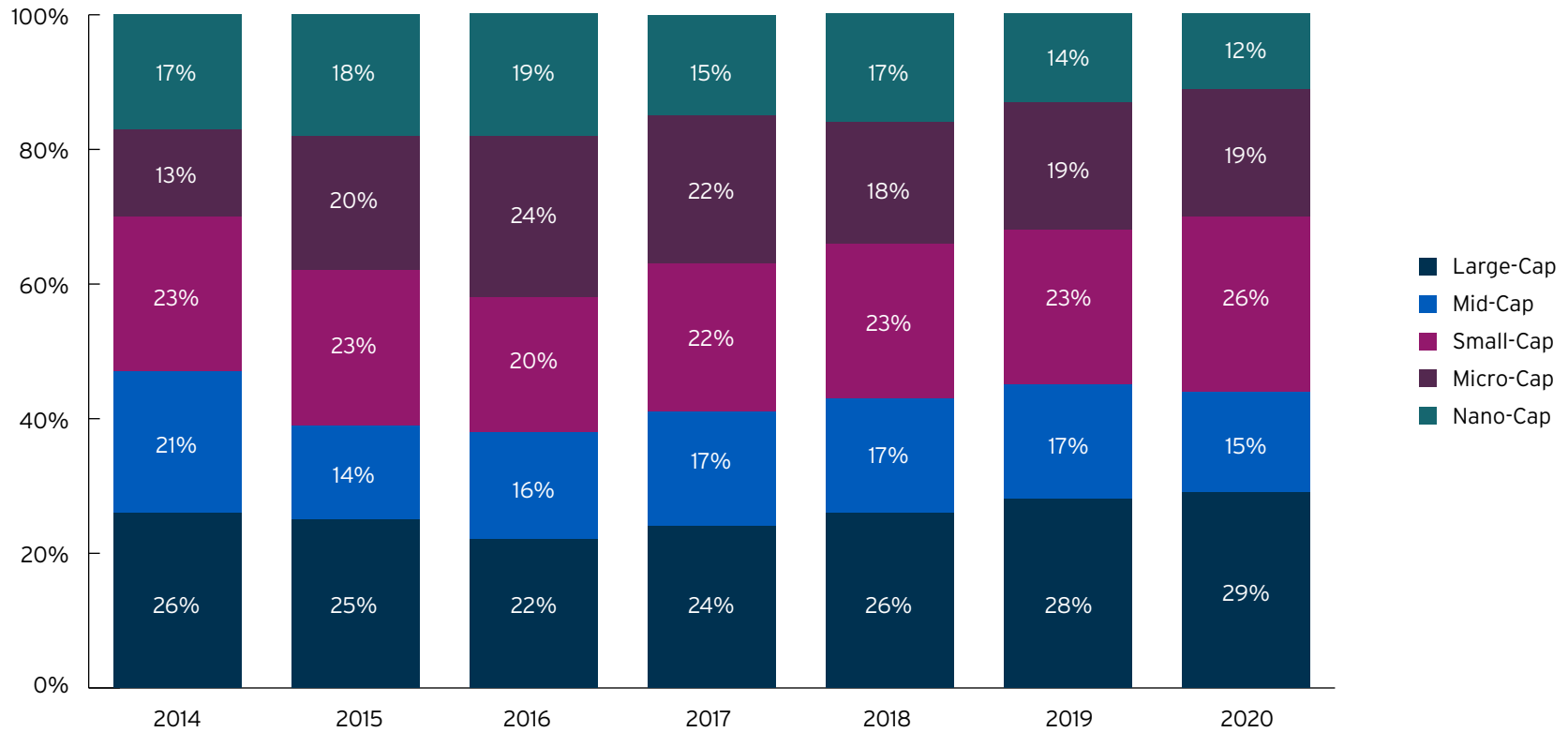
Industry Sectors of U.S. Companies Publicly Subjected to Activist Demands, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

FIGURE 34

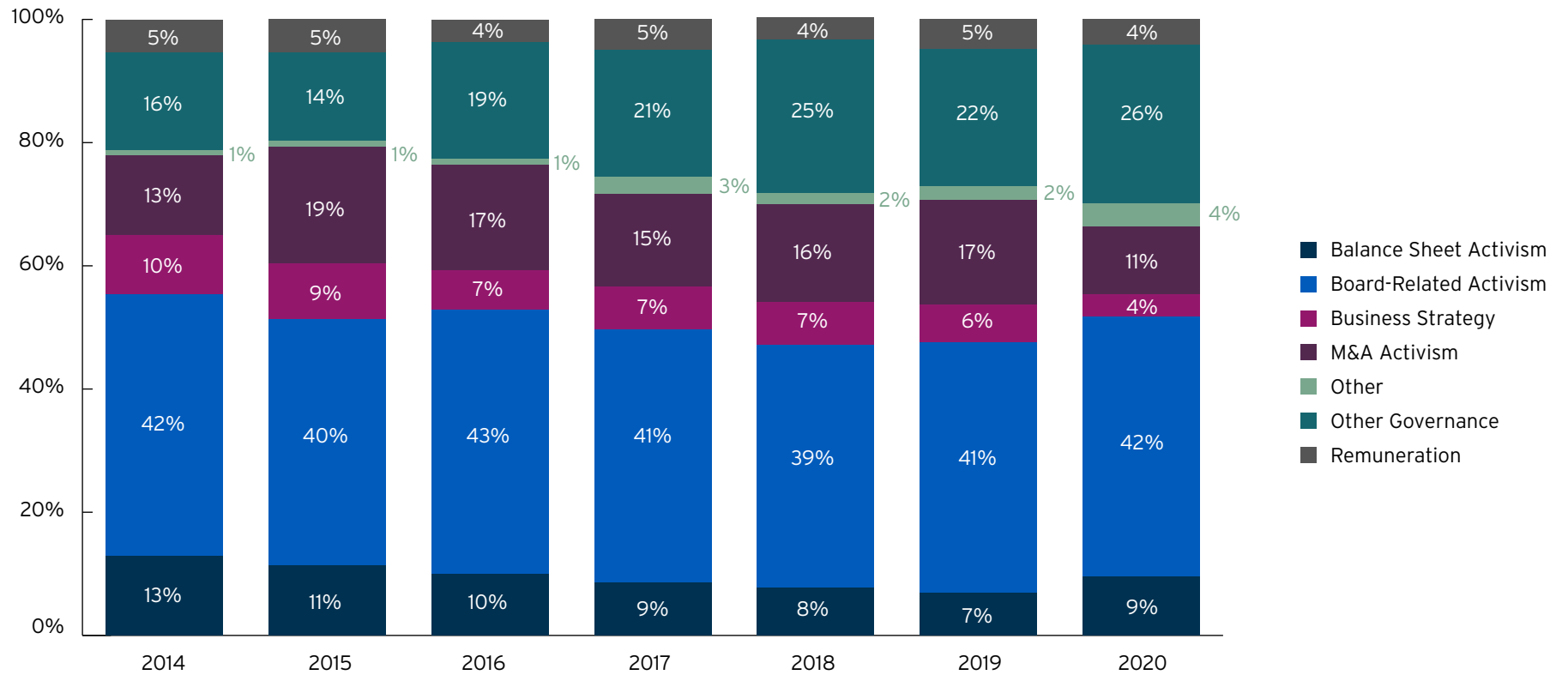
Market Caps of U.S. Companies Publicly Subjected to Activist Demands, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

FIGURE 35

U.S. Public Activist Demands by Type, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

FIGURE 36

Definition Guide for Activist Demands

Demand Group	Public Demand	Definition
Board Related Activism	Board Independence	Activist demands that the company reconfigure the structure of the board of directors, usually by appointing more independent directors.
Board Related Activism	Change Board Composition	Activist demands that the structure of the company board of directors be altered, usually by changing the number of board seats.
Board Related Activism	Eliminate Staggered Board	Activist demands that the company elect all directors on an annual basis at annual general meetings.
Board Related Activism	Gain Board Representation	Activist nominates candidates to serve on the company board of directors.
Board Related Activism	Removal of CEO or Other Board Member	Activist demands that a company director or CEO be removed from the board of directors.
Board Related Activism	Separate Chairman & CEO	Activist demands that the roles of chair and CEO be separated and held by two different individuals.
Balance Sheet Activism	Dividends	Activist demands that the company increase dividend pay-outs or issue a one-off dividend to shareholders.
Balance Sheet Activism	Equity Issuance	Activist demands that the company issue new shares or equity.
Balance Sheet Activism	Excess Cash	Activist states that the company holds too much cash within its balance sheet which should be used in a more efficient way.
Balance Sheet Activism	Oppose Equity Issuance	Activist opposes the issuance of shares or equity in the company.
Balance Sheet Activism	Recapitalization	Activist demands that the company change/alter its capital structure and adjust the ratio of debt to equity.
Balance Sheet Activism	Restructure Debt	Activist demands that the company reorganise and restructure its corporate debt.
Balance Sheet Activism	Return Cash to Shareholders	Activist states that the company holds an excess of cash in its balance sheet, which should be distributed to shareholders.
Balance Sheet Activism	Sell/Retain Assets	Activist demands that the company either sell or retain a specific asset owned by the company.
Balance Sheet Activism	Share Repurchase	Activist demands that the company adopt a new share repurchase plan or increase the value of an existing share repurchase plan.
Balance Sheet Activism	Under Leverage	Activist states that the company has an insufficient amount of debt within its capital structure.
Business Strategy	Business Focus	Activist demands that the company concentrate on improving its core business or products.
Business Strategy	Business Restructuring	Activist demands that the company make changes to or alter part of its core business.
Business Strategy	Closure of Business Unit	Activist demands that the company close part of its core business.
Business Strategy	Focus on Growth Strategies	Activist demands that the company consider expanding the existing range of products/services that it offers.
Business Strategy	General Cost Cutting	Activist demands that the company find savings in the general operation of the company.
Business Strategy	Operational Efficiency	Activist demands that the company find efficiencies in the structure or running of the company.
Business Strategy	REIT / MLP Conversion	Activist demands that the company convert into a real estate investment trust (REIT) or a master limited partnership (MLP).
Business Strategy	Replace Management	Activist demands a change in senior management at the company, usually hiring a new CEO/Chairman.
M&A Activism	Oppose Acquisition of Third Party	Activist opposes the acquisition of another company.
M&A Activism	Oppose Merger	Activist opposes a potential merger or acquisition between the target company and another company or third party.
M&A Activism	Oppose Takeover Terms	Activist opposes the terms of a potential takeover between the target company and another company or third party.
M&A Activism	Oppose Terms of Merger	Activist opposes the terms of a potential merger between the target company and another company or third party.
M&A Activism	Push For Acquisition of Third Party	Activist pushes for the acquisition of another company.
M&A Activism	Push for Company Division	Activist demands that the company separate one or more of its business segments.

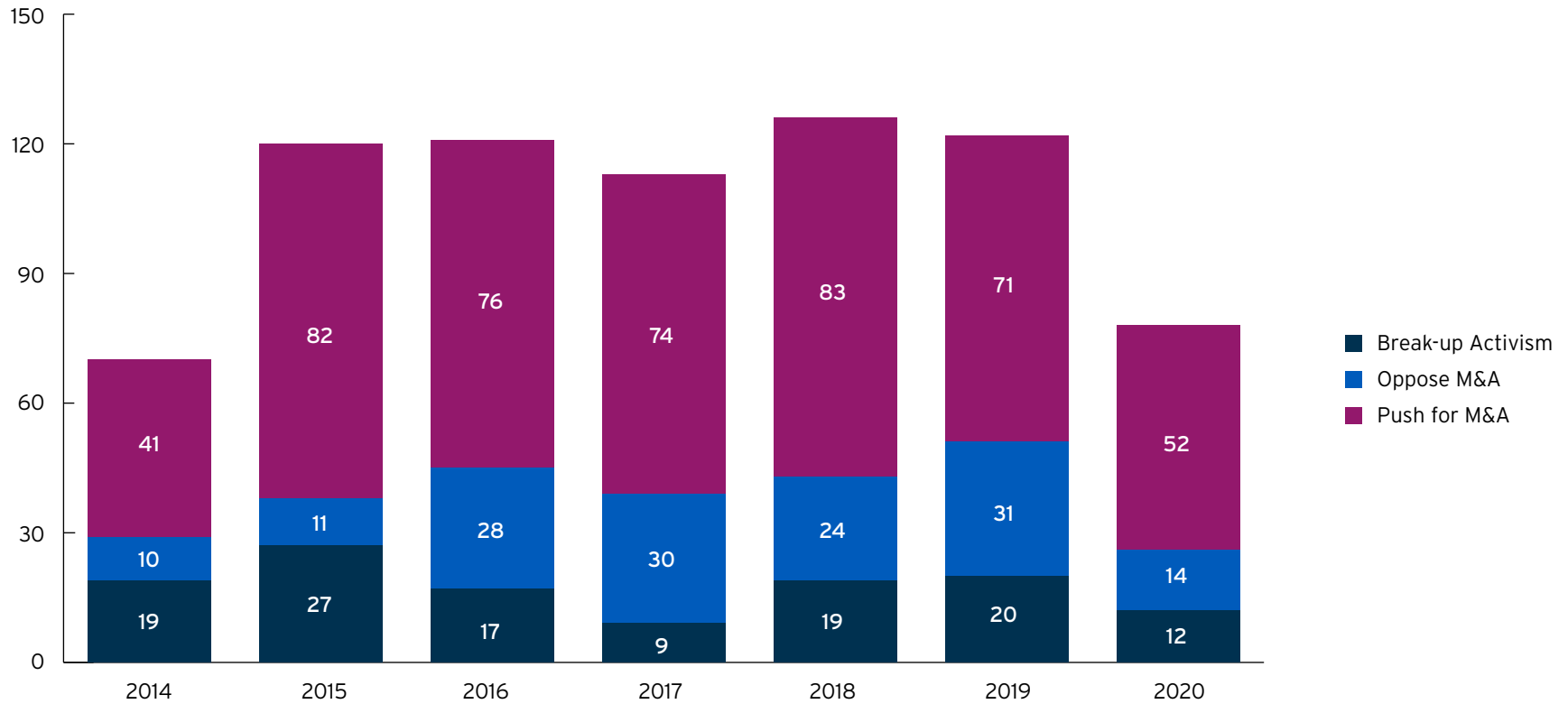
FIGURE 36

U.S. Companies Subjected to M&A-Related Activist Demands by Type, 2014-2020

Demand Group	Public Demand	Definition
M&A Activism	Push For Merger of Company With Third Party	Activist demands that the company initiate a merger with another company or third party.
M&A Activism	Push For Sale of Company to Third Party	Activist demands that the company sells itself to another company or third party.
M&A Activism	Spin-Off/Sale of Business Division	Activist demands that the company spin-off or sell assets or a business division.
M&A Activism	Takeover Company	Activist attempts to acquire the company.
Remuneration	Remuneration	Activist demands that the company alter its executive compensation policy, including options, bonuses, and expense accounts.
Other Governance	Adopt Majority Vote Standard	Activist demands that the company amend its bylaws to use a simple majority vote at shareholder meetings.
Other Governance	Amend Bylaw	Activist demands that a bylaw relating to the company's corporate governance be amended or repealed.
Other Governance	Lack of/Inaccurate Information From Company	Activist calls for greater transparency or for the company to clarify certain information, usually regarding the company's books and records, or the results of investigations.
Other Governance	Redemption/Amendment of Poison Pill	Activist demands that the company either amend or repeal a poison pill/shareholder rights plan.
Other Governance	Replace Auditor	Activist demands that the company change auditor.
Other Governance	Succession Planning	Activist demands that senior figures at the company, typically the chairman or CEO, announce plans to appoint a successor in the near future.
Other Governance	Use Universal Ballot	Activist demands that the company implement a universal proxy card, allowing shareholders to vote for individual director nominees, rather than as part of a slate.
Other	Cancel Contract	Activist demands that the company cancel a contract or agreement signed with a third party, usually an investment advisor to a fund.
Other	Push For/Oppose Merging of Shares	Activist demands or opposes a reorganisation of the company share structure.
Other	Transfer Listing	Activist demands that the company delist and be relisted on another stock exchange.

FIGURE 37

U.S. Companies Subjected to M&A-Related Activist Demands by Type, 2014-2020



All related data has been provided by Activist Insight Ltd., affiliated company of Proxy Insight Ltd.

Key Figures and Trends from Georgeson's European Season Review

- › The COVID-19 outbreak has had a major impact on the 2020 AGM season, causing many AGMs to be postponed, live voting rights to be restricted, and changes to dividend and remuneration proposals.
- › SRD II has been introduced across most of the EU from the 2020 AGM season; this has affected the Netherlands in particular which previously did not have annual remuneration votes.
- › Germany delayed implementation of the SRD II remuneration vote requirements to the 2021 AGM season. Therefore, it remained the last major market in Europe with no annual vote on remuneration.
- › Executive remuneration continues to be a flashpoint for investors across all major European markets. However, across the seven main European markets, there was a calibrated 9% reduction in contested remuneration votes from 2019.
- › Director elections remain an area of focus and negative votes. However, across the seven main European markets, there was a calibrated 24% decrease in contested director elections from 2019.
- › In the UK (FTSE 100) dissent over remuneration policy and LTIP votes has increased, resulting in 14 such resolutions being contested (10%+ opposition) in 2020, compared to 11 in 2019 and 8 in 2018. However, it should be noted that across the 2020 season, 58 remuneration policy votes were put forward compared to only 19 in 2019. Therefore, considering only remuneration policy votes and calibrating for the total number of resolutions put forward, there was a decrease of 50% in contested proposals (10%+ opposition). Regarding remuneration report votes, dissent has decreased with only 12 remuneration reports being contested (10%+ opposition), a 43% reduction compared to 2019 on a calibrated basis. This represents the lowest level of opposition on remuneration reports since 2015.
- › In Germany (DAX), 25% of remuneration system votes were contested (10%+ opposition) during the 2020 AGM season. It should be noted that only 8 companies put forward an executive remuneration vote in 2020.

EXECUTIVE REMUNERATION

Executive remuneration continues to be an important area of focus for many investors.

- › The EU's revised Shareholder Rights Directive introduced annual remuneration votes across the EU from the 2020 AGM season. The market most affected by this change has been the Netherlands, where only a minority of companies (33.33%) held votes on executive remuneration in 2019, while this year every company has put forward a remuneration vote. Germany remained the only major European market without a mandatory annual remuneration vote during the 2020 AGM season.

Georgeson's 2020 European AGM Season Review

Want to learn about the European AGM season?

[VIEW REPORT](#)

- › In France (CAC40), 66 remuneration proposals were contested (10%+ opposition) representing 27.7% of the total. Remuneration proposals are the most contested resolution category in France. However we note that opposition over remuneration proposals, calibrated for the total number of resolutions put forward, decreased by 30% compared to 2019. It should be noted that given the way SRD II has been implemented in France, overall 238 remuneration proposals were put forward in France during the 2020 season (against 175 in 2019 and 160 in 2018). Finally, we note that almost every proposed severance payment agreement was contested (9 out of 10), which represents a 170% calibrated increase compared to 2019.
- › In Switzerland (SMI), remuneration report votes were contested (10%+ opposition) in 59% of cases (10 out of 17). Compared to last year and calibrating for the total number of resolutions put forward, there was a 9% decrease in contested remuneration report votes. However, this continues to be the highest level of contested resolutions for remuneration proposals across all markets.
- › In the Netherlands (AEX and AMX), 19 remuneration proposals out of 118 were contested (10%+ opposition), representing 22.4% of the total. It should be noted that, given the implementation of SRD II, there was a 247% increase in the number of remuneration proposals put forward compared to 2019.
- › In Italy (FTSE MIB), remuneration-related proposals continue to be the most contested resolution type (10%+ opposition) for the sixth year in a row within the FTSE MIB. In particular, 44% of the remuneration policy votes and 48% of remuneration report votes were contested by shareholders during 2020 proxy season. After Switzerland, Italy has the highest rate of contested remuneration proposals across all the countries covered.
- › In Spain (IBEX 35), 22 remuneration proposals were contested (10%+ opposition) representing 30% out of the total. Remuneration-related proposals remain the second most penalized topic among investors at AGMs. Compared to 2019 and calibrating for the total number of resolutions put forward, there was an 11% increase in remuneration proposal opposition.
- › In Denmark (OMX Large Cap) remuneration continues to be the most contested resolution type representing 73% of the total contested resolutions. Compared to 2019, and calibrated for the total number of resolutions put forward, there was a 120% increase in contested (10%+ opposition) remuneration proposals.

DIRECTOR ELECTIONS

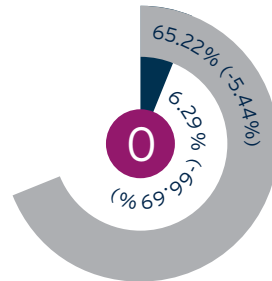
Director elections continue to grow as an area of focus and negative votes.

- › In the UK (FTSE 100), since 2019 there has been a 15% increase in the proportion of director elections that were contested (10%+ opposition).
- › In Germany (DAX) 12 director election resolutions out of 62 were contested (10%+ opposition) representing 19.4% of the total. It should be noted that the number of director election proposals and the number of discharge proposals considered are significantly lower compared to last year (partly due to the number of AGMs postponed as a result of the COVID-19 outbreak).
- › In France (CAC40), 14% of the total number of contested (10%+ opposition) proposals was related to director elections, representing the third most contested resolution type across the index. However, compared to last year and calibrating for the total number of resolutions put forward, there was a 14% decrease in the director elections that were contested by shareholders. This was the second consecutive year in which contested director elections saw a decrease in France, and, compared to 2018, there has been a 48% calibrated reduction in the contested director election resolutions.
- › In Switzerland (SMI), directors receiving more than 10% opposition continues to be the most contested resolution type within the SMI, representing 34% of all contested proposals in 2020. Compared to 2019 and calibrating for the total number of resolutions, there was a 53% increase in the number of contested director elections and a 101% calibrated increase in the number of contested compensation committee elections.
- › In the Netherlands (AEX+AMX) 6 director election resolutions out of 132 were contested (10%+ opposition) representing 4.5% of the total. Compared to last year, this represents a 22% calibrated decrease in contested director elections.
- › In Italy (FTSE MIB), 20% of the total director elections were contested (10%+ opposition) by shareholders during 2020 AGM season.
- › In Spain (IBEX 35), director elections continue to be the most contested (10%+ opposition) resolution type, representing 39% of the contested proposals brought forward during the 2020 AGM season. Compared to 2019, this represents a 29% calibrated increase in contested director elections.

**UNITED KINGDOM
(FTSE 100)**



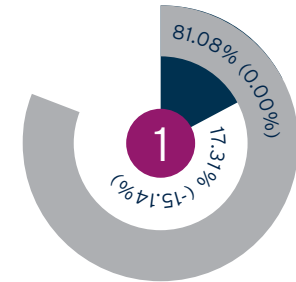
**GERMANY
(DAX)**



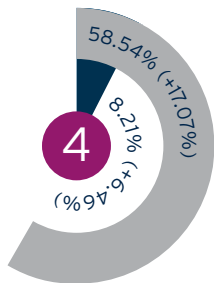
**SWITZERLAND
(SMI)**



**FRANCE
(CAC 40)**



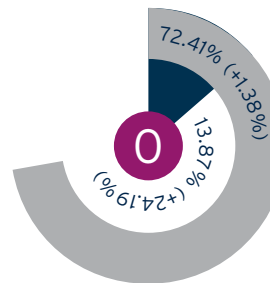
**NETHERLANDS
(AEX+AMX)**



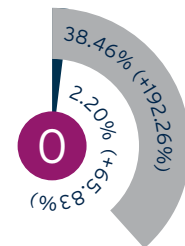
**ITALY
(FTSE MIB)**



**SPAIN
(IBEX 35)**

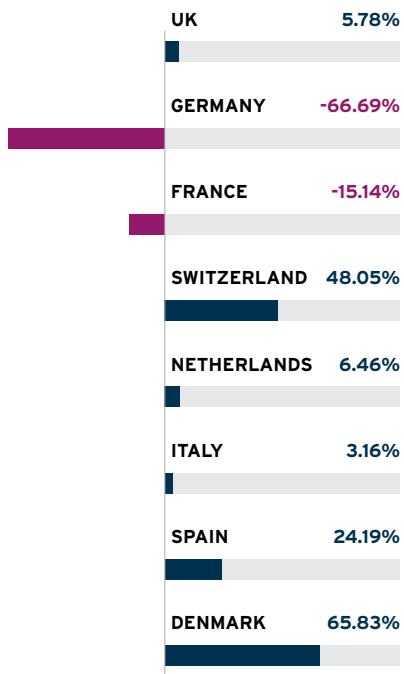


**DENMARK
(OMX)**

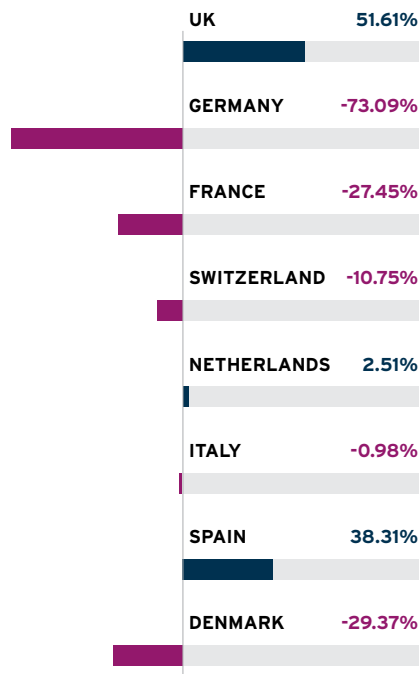


Rejected board proposals
 Companies with over 10% oppose
 Resolutions with over 10% oppose

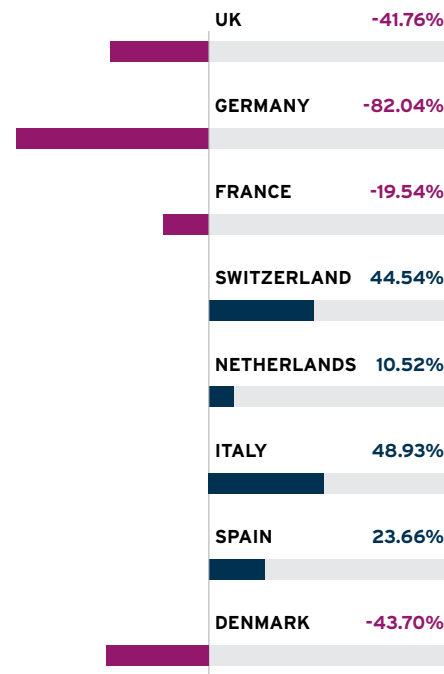
% change in number of contested resolutions (vs 2019)



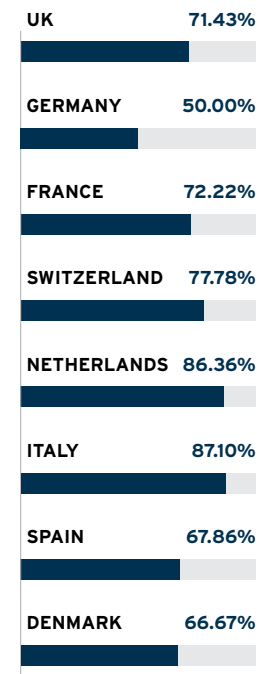
% change in number of ISS negative recommendations (vs 2019)



% change in number of Glass Lewis negative recommendations (vs 2019)



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



Impact of COVID-19 on the 2020 AGM season

As the COVID-19 pandemic was gaining pace in Europe at the beginning of the 2020 AGM season, companies made efforts to adjust the logistics of their annual general meetings to take into account the public health concerns resulting from large gatherings, while at the same time complying with the legislative and regulatory requirements that safeguard, to the extent possible, shareholder voting rights.

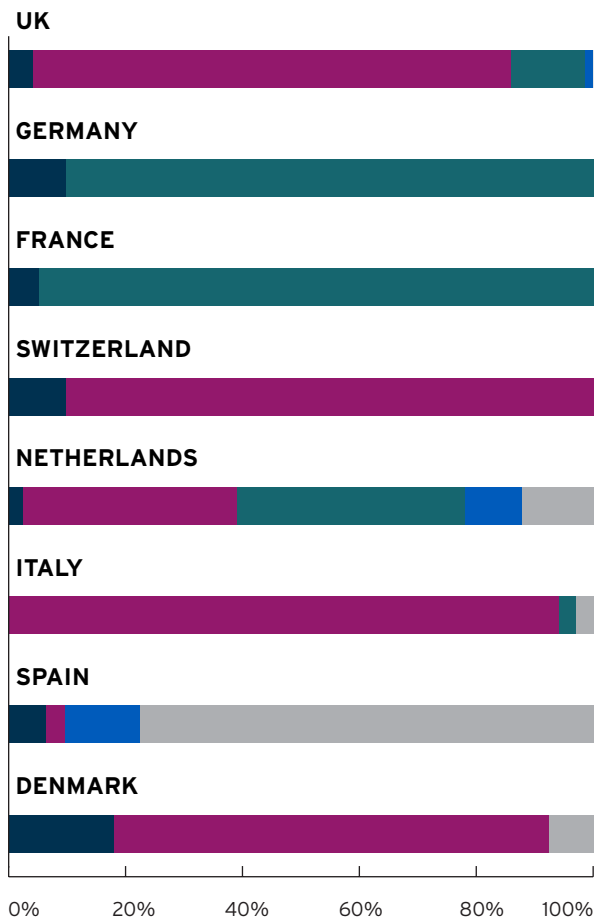
AGM TYPES AND RESTRICTED LIVE VOTING RIGHTS

In this year's season review we have reviewed the types of AGMs that took place and the implications of these new formats for shareholders. Most interestingly we note the extent to which temporary public health requirements led companies to restrict the live voting rights (physical or virtual) that shareholders are normally entitled to.

Notably, European markets have reacted differently to the challenges posed by the pandemic and both companies and the regulatory environment have followed a local approach. In Italy, for example, shareholders were barred from attending AGMs and could only attend by granting a proxy to an appointed representative (rappresentante designato) who would act as proxy for all shareholders. In the

Netherlands, the government provided that where attendance at the meeting was barred shareholders had the right to follow the meeting via electronic means and submit questions on the items on the agenda up to 72 hours before the meeting. In Switzerland, from mid-March onwards, shareholders were also banned from attending AGMs and were provided with the choice to exercise their voting rights in writing, electronically or through a proxy.

While responses to COVID-19 have been diverse across Europe, most countries have reacted by introducing restrictions on shareholder attendance at the annual general meeting and companies have swiftly adapted by holding meetings, sometimes in uncertain and developing frameworks - such as in the UK where definitive legislation facilitating remote participation only came into force in June 2020 - and held their meetings in various different formats, ranging from restricted physical attendance to virtual-only meetings. Further details on each market approach to holding AGMs during COVID-19 can be found under the relevant market's Corporate Governance Developments section throughout our report.



- Physical**
 Investors were able to attend the meeting location and vote in person without any restrictions. No live virtual voting was available.

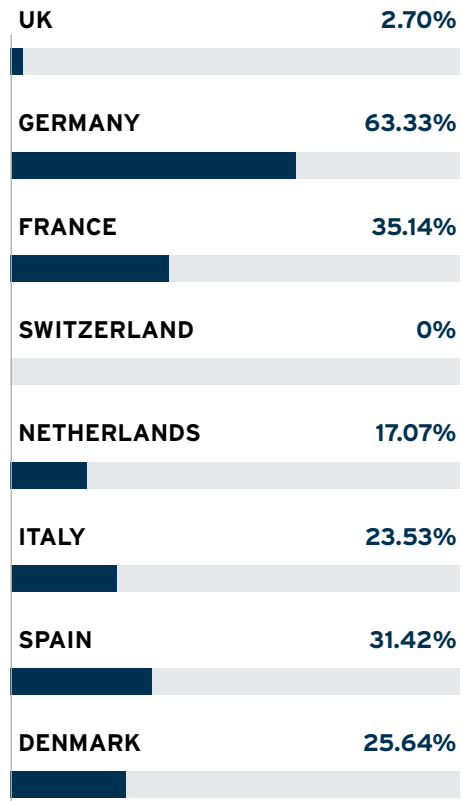
- Physical (restricted)**
 Investor attendance at the meeting location (and voting in person) was restricted/discouraged (due to Covid-19). No live virtual voting was available.

- Webcast only**
 Investors were not able to attend the meeting location nor were they given the opportunity to cast live votes electronically during the meeting from a different location. However, they could follow the meeting live through a webcast.

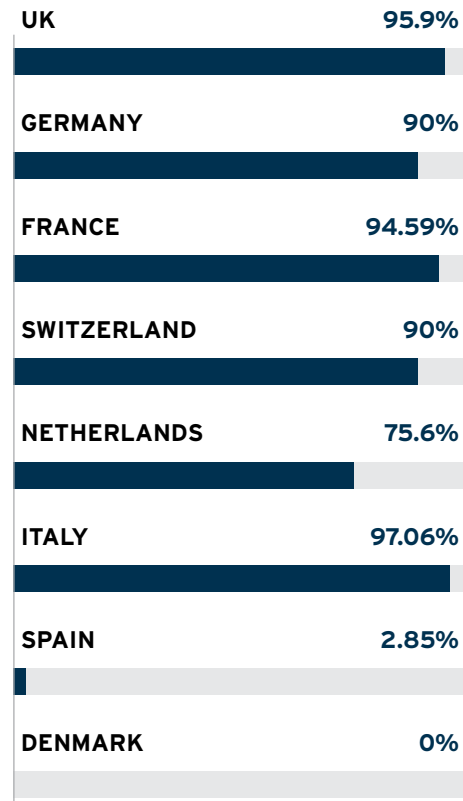
- Hybrid (restricted)**
 Investors could choose to either attend the meeting in person (but attendance at the meeting location and voting in person was restricted/discouraged due to Covid -19), or to cast live votes electronically during the meeting from a different location.

- Virtual**
 Investors could not attend the meeting in person but could cast live votes electronically during the meeting from a different location.

% of postponed AGMs



% of restricted live voting rights



EFFECT ON DIVIDEND DISTRIBUTION

Another clear impact of the pandemic across listed companies in Europe was on the distribution of dividends. Most companies across Europe were impacted by lockdowns and, as such, profit distributions have seen major disruption as many companies chose to either cancel, postpone, or reduce their expected dividend distribution. We have reviewed whether any change was made to dividend distribution due to COVID-19. In this regard, we note that “adjusted” includes reduced, delayed, suspended and cancelled dividends or any other dividend policy change due to the COVID-19 pandemic.

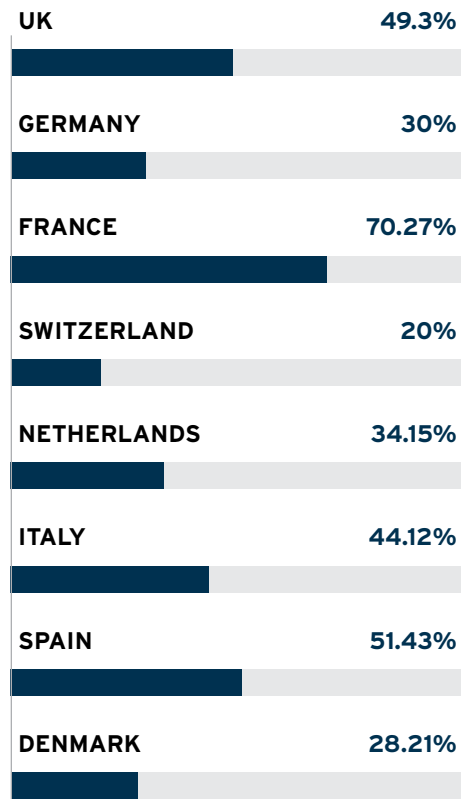
While the approach on dividends was fragmented, some industries received guidance on the distribution of dividends during the pandemic with the aim of preserving healthy balance sheets in tumultuous times. In Europe, the ECB has issued guidance requesting banks not to pay dividends for financial years 2019 and 2020 until 1 October 2020 at least in order to boost capacity to absorb losses and support lending. The ECB was joined in Italy by the Bank of Italy which issued its own recommendation to refrain from making dividend distributions at least until 1 October 2021. Another example is in Switzerland where the Swiss Financial Market Authority FINMA urged Swiss-domiciled companies to re-consider their dividend proposals. Further details on legislative action on dividends distribution can be found under the relevant market’s Corporate Governance Developments section below.

ADJUSTING EXECUTIVE REMUNERATION

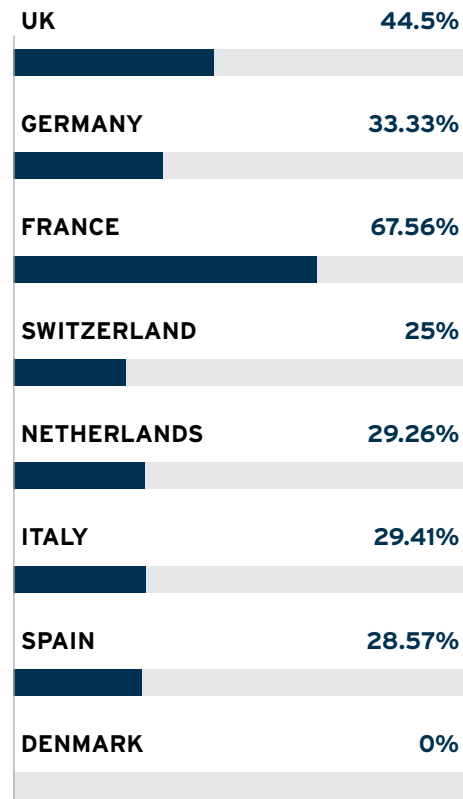
On the other hand the remuneration of executives also took a hit. As shareholder saw their payouts reduced or cancelled in many instances, and as employees were furloughed, made redundant, or saw their pay reduced, Boards have often taken steps to apply temporary reduction in executive pay (in various forms). We have reviewed whether any executive pay changes were announced in connection with the COVID-19 pandemic.

While some markets implemented measures to ban certain types of distributions many companies across the markets surveyed implemented changes to executive remuneration - ranging from salary reduction for executives to elimination of annual bonuses - without regulatory intervention. On the other hand, investors and proxy advisors have become increasingly focused on the idea that where dividends or workers were affected by the pandemic then executive directors should “share the pain” as well.

% of adjusted dividend distribution



% of remuneration adjustments





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