Voting Matters

Are asset managers using their proxy votes for climate action?

ShareAction»

Acknowledgements

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About ShareAction

ShareAction is a UK registered charity working globally to lay the tracks for responsible investment across the investment system. Its vision is a world where ordinary savers and institutional investors work together to ensure our communities and environment are safe and sustainable for all.

In particular, ShareAction encourages institutional investors to be active owners and responsible providers of financial capital to investee companies, while engaging meaningfully with the individual savers whose money they manage. Since 2005, ShareAction has ranked the largest UK asset owners and asset managers on their responsible investment performance.

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Executive Summary

Climate change is one of the highest priority issues facing investors. A recent study showed that changing asset allocations among various asset classes and regions, combined with investing in sectors exhibiting low climate risk, can only offset half of the negative impacts on financial returns across portfolios brought about by climate change[i].

The last few years have seen a shift in investors' attitudes towards climate change. For example:

- More than 50 investor initiatives have now been established seeking to compel and support investor activity on climate change[ii], including the Climate Action 100+ (CA100+) initiative, a global coalition of 370 investors representing US$35 trillion that have committed to engage with some of the world's highest emitting companies on climate change.
- 1,118 institutions representing US$11.48 trillion in assets and more than 58,000 individual representing US$5.2 billion have committed to divest from fossil fuels[iii].
- Environmental, Social and Governance (ESG) resolutions earning record levels of support in recent years[iv].

Significantly more remains to be done to avert the worst consequences of climate change, and achieve a 'just transition'. In October 2018, a report by the Intergovernmental Panel on Climate Change (IPCC) clearly illustrated the difference between a 1.5°C and a 2°C world – including an extra 10 million people being exposed to sea level rise and associated coastal flooding and salt water, a doubling of the proportion of species losing half their geographic range, and significant increases in the potential for extreme weather events and the transmission of certain infectious diseases[v vi]. Yet, we are currently on course for a 3.2°C world[vii].

Investors have a key role to play in helping avert dangerous climate change. One way they can do so is by using their proxy voting rights. Proxy voting is the primary means by which shareholders can exert influence over their investee companies and exert stewardship[1]. It was identified as a building block of corporate engagement by some of the best-in-class respondents of the 2018 Asset Owner Disclosure Project (AODP) survey, who encouraged their peers to "start voting in support of climate-related shareholder resolutions as [it is] a cost-effective and impactful entry point for engaging with companies on climate-related issues"[viii]. It is also often the only real evidence that beneficiaries and asset owners have of their asset managers acting on their behalf on issues such as climate change and excessive pay. Yet, this stewardship tool is often underused by investors. This year, the directors of BP, Chevron, ExxonMobil, Shell and Total were all (re-) elected with on average 97% support from shareholders, despite these companies being some of the largest emitting companies on earth and lacking plans to transition to a well-below 2°C world[ix].

This report reviews how 57 of the world's largest asset managers have voted on 65 shareholder resolutions linked to climate change. These resolutions cover topics such as climate-related disclosures, companies' lobbying activities and the setting of targets aligned with the goals of the Paris Climate Agreement.

Climate change is a systemic risk[x], although it will affect some sectors more than others. Investment consultant Mercer finds that transition risk sensitivity is most negative for the energy sector and that physical risk sensitivity is most negative for utilities and energy. However, some sensitivity is relatively widespread across sectors, including industrials, telecoms, financials, consumer staples and consumer discretionary[xi]. This explains why more than 60% of the resolutions considered in this study were filed in these sectors.

1 To learn more about proxy voting check out ShareAction's briefing Another link in the chain: uncovering the role of proxy advisors

Summary Findings and Recommendations

1. US asset managers are clear laggards in terms of proxy voting on climate, whilst European asset managers lead the way

Variations in voting decisions are to be expected, as different asset managers operate in different ways according to their clients' needs and their investment style, are at different stages of engagement with companies and/or have a different set of priorities. However, this report finds a clear divide in how asset managers vote on climate change resolutions across the globe.

Indeed, our analysis suggests that US asset managers lag behind their peers on proxy voting. The 10 worst performers in this study are based in the US, and the three best US performers have scores significantly lower than the best performers in the 'Europe' and 'Rest of the World' categories. In fact, the second and third best US performers, **Fidelity International** and **Goldman Sachs Asset Management International**, have voted for fewer resolutions on climate change than 17 of the 18 European asset managers included in the ranking.

The four best performers in the 'Rest of the World' category, namely **Nikko Asset Management**, **Asset Management One**, **Manulife Asset Management** and **BMO Global Asset Management**, all voted for a greater percentage of climate resolutions than their US counterparts.

These results are highly concerning as the 20 largest US fund managers control about 35% of global assets under management (AUM), more than double the 14% run by the top 20 European players.

Six out of 10 of the worst performers have come out in support of the Taskforce for Climate-related Financial Disclosures (TCFD) and joined at least one investor engagement initiative on climate change, yet fail to vote in favour of resolutions on climate-related disclosures.

Worst performers overall

Rank	Investor	Country	% of votes for*	% of data available
1	Capital Group	US	4.9	67.2
2	T. Rowe Price	US	5.3	93.4
3	Blackrock	US	6.7	98.7
3	J.P. Morgan	US	6.7	98.4
4	Vanguard Asset Management	US	8.3	98.4
5	Fidelity Management and Research Co	US	9.3	88.5
6	Wellington Management International	US	9.8	100
7	Franklin Templeton	US	18	100
8	Northern Trust	US	21.3	100
9	State Street Global Advisors	US	26.2	100
10	MetLife Investment Management	US	31.6	89.1

*% of votes in favour by that specific investor for the resolutions that we had data for

Best performers overall

Rank	Investor	Country	% of votes for*	% of data available
1	UBS Asset Management	Switzerland	90.2	100
2	Allianz Global Investors	Germany	88.5	100
3	Aviva Investors	UK	86.9	100
4	HSBC Asset Management	UK	82	100
4	LGIM	UK	82	100
5	Axa Investment Managers	France	78.7	100

*% of votes in favour by that specific investor for the resolutions that we had data for

2. A number of CA100+ investor signatories fail to support resolutions at CA100+ focus companies, such as Chevron, Duke Energy, Ford and General Motors (GM), some of which were originated by CA100+ investor leads.
3. A number of 'historical' resolutions face relatively low levels of support, with investors sticking to their voting decisions through the years.
4. The ExxonMobil AGM is a great example of investors, especially CA100+ investor signatories, embedding climate change into their voting decisions on director re-election and other governance matters.
5. Resolutions on corporate lobbying and climate-related disclosures seem to have entered the mainstream. Resolutions on targets and transition planning filed by retail shareholders received fewer votes than those filed by institutional investors in 2019.

The report ends with three recommendations for asset owners. As stewards of capital for millions of beneficiaries, asset owners have a duty to monitor the engagement activities and proxy voting records of their asset managers.

Recommendation 1:

Use our findings and our table in Appendix II to inform your selection and engagement with asset managers.

Recommendation 2:

Assess asset managers' climate-related performance and proxy voting record on climate change resolutions during the asset manager selection process.

Recommendation 3

Monitor your asset managers' proxy voting decisions on climate change resolutions and on ordinary resolutions at companies that have shown persistent inaction on climate change and/or reluctance to engage with their shareholders.

Section 1: Methodology

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

1.1 Scoping: Selection of resolutions

The criteria used to select resolutions were as follows:

1. Climate change resolutions filed at S&P 500 companies. This includes resolutions on deforestation and on political lobbying, when those mentioned climate change.
2. Resolutions originated by CA100+ lead investors.
3. Resolutions at ExxonMobil for which CA100+ lead investors were seeking votes. We note that some of these resolutions are not 'pure climate' resolutions and that other factors will have been taken into account by investors when voting on these proposals.
4. Resolutions that meet criteria one to three and were also filed in 2017 and/or 2018 at that same company.
5. A selection of climate resolutions filed by civil society organisations between October 2018 and September 2019.

In total, 65 resolutions were selected for this analysis. In every instance except one[2], the management and boards of these companies rejected the resolution and recommended shareholders vote against them. A full list of resolutions is available in Appendix I.

The voting data was accessed from Proxy Insight's database on 17 September 2019, as well as from individual investors' websites. As Proxy Insight processes and releases further data on the voting of individual funds, some of the votes categorised as 'for' or 'against' may change to a 'split'. This reflects new data released on the voting of individual funds, not inaccuracies in the current data set.

All the asset managers included in this study were contacted at least twice by ShareAction as part of our data verification procedure for the report. They were asked to verify the data that we had obtained from Proxy Insight, and to complete our dataset. We thank the 41 asset managers who kindly agreed to verify and/or disclose their data to us.[3]

2 BP Plc, 2019, Resolution 22

3 This includes Aberdeen Standard Investments, Aegon Asset Management, AMP Capital, Amundi, APG Asset Management, Asset Management One International, Aviva Investors, AXA Investment Managers, BMO Global Asset Management, BNP Paribas Asset Management, Bradesco Asset Management, Capital Group, China Asset Management company, DWS Group, E Fund Management, Eurizon Asset Management, Fidelity International, First State Investments, Franklin Templeton, Generali Investments, HSBC Global Asset Management, Invesco, Investec Asset Management, Itau Asset Management, Janus Henderson UK, Legal and General Investment Management, M&G Investments, Manulife Asset Manager, Mitsubishi UFJ Trust and Banking Corp, Nikko Asset Management, Nomura Asset Management, Northern Trust Asset Management, Nuveen, Ostrum Asset Management, RBC Global Asset Management, Schroder Investment Management, State Street Global Advisors, UBS Asset Management, Union Investments, Vanguard Asset Management and Wellington Management International.

1.2 Scoping: Selection of asset managers

The Investment and Pensions Europe's ranking of the top 400 asset managers was used to select asset managers[xii]. The asset managers included in this study met one or more of the following criteria:

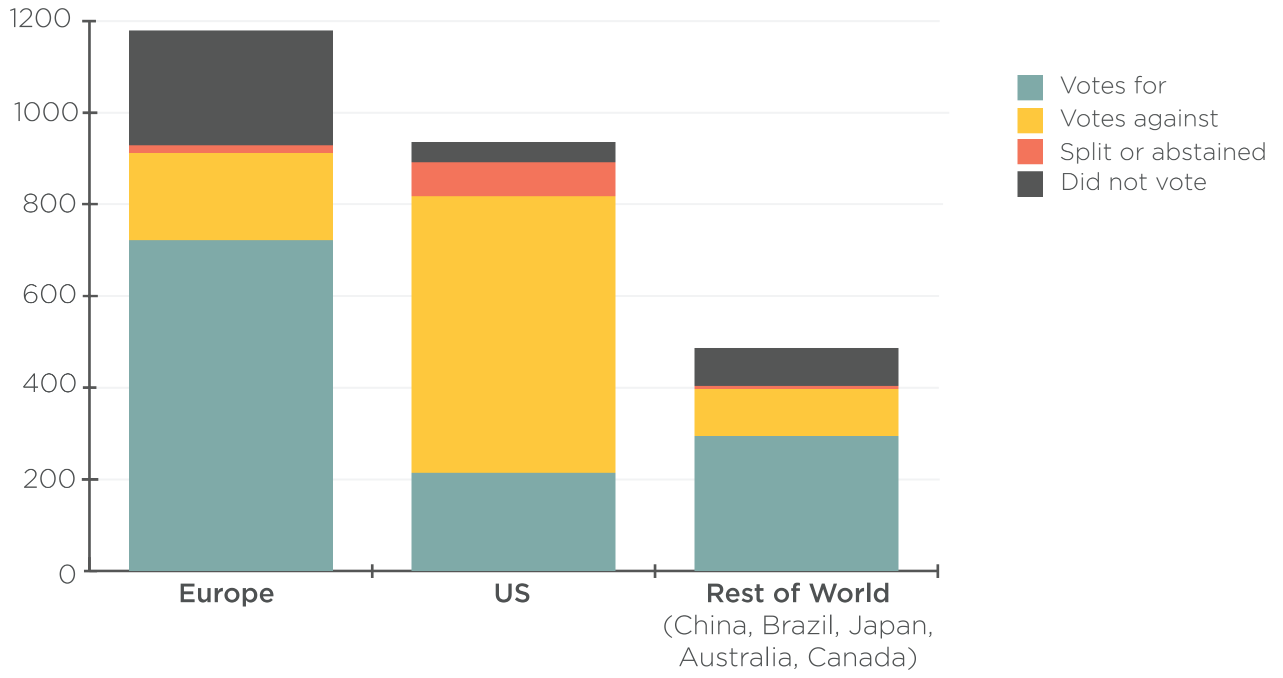
1. The world's largest 25 asset managers based on AUM.[4]
2. The largest 20 European asset managers based on AUM.[5]
3. The largest four Australian asset managers based on AUM.[6]
4. The largest 15 asset managers based in jurisdictions outside of Europe, Australia and the US. This includes asset managers based in Brazil (2), Canada (4), China (2), Japan (5), Singapore (1), and South Africa (1).[7]

In total, 57 asset managers were selected for this analysis, 31 of which are members of CA100+.

The full list of asset managers included in this analysis can be found in Appendix II.

We were not able to gain access to 14.5% of these asset managers' voting records. In particular, we did not obtain any data for **Eastspring Investment Management**, **Maple-Brown Abbott**, **QIC** and **Sumitomo Mitsui Trust Asset Management**, and obtained less than 15% of Credit Suisse Asset Management's proxy voting data.

Figure 1: Votes based on region



4 Insight Investments and PGIM Fixed Income were consolidated with their parent companies. Natixis Investment Managers is a holding company – we included their ESG and asset management subsidiary, Ostrum Asset Management. We also did not include Affiliated Managers Group as it uses a large number of independent managers. Finally, we did not include Legg Mason as it is a holding company.

5 We included both Fidelity Management and Research (FMR) and Fidelity International. Given that they are listed as two separate entities on IPE, we have included both of them in our count of asset managers.

6 Lendlease and GPT were not included because they mostly focus on real estate.

7 We were told by BRAM - Bradesco Asset Management and E Fund Management that they did not own holdings in any of the companies considered in this analysis. Itaú Asset Management did not vote at any of the resolutions included in this analysis either. China Asset Management did not own most of the companies included in this analysis and did not vote at the AGMs of the three companies it did hold.

Section 2:

US asset managers are clear laggards in terms of proxy voting on climate, whilst European asset managers lead the way.

This section analyses how asset managers have voted on the 61 climate change resolutions included in this study.[8 9]

2.1 European asset managers lead the way on proxy voting on climate

The asset managers who voted for most of the climate resolutions included in this study are **UBS Asset Management** (90.2%), **Allianz Global Investors** (88.5%), **Aviva Investors** (86.9%), **Legal and General Investment Management** and **HSBC Asset Management** (82%) and **AXA Investment Managers** (78.7%.). These six asset managers are all based in Europe.[10]

This suggests that European asset managers are more comfortable using their proxy voting rights to drive corporate change on climate than their peers. Still, a recent survey of the 40 largest European asset managers found that there is still significant room for improvement with regards to voting and company engagement on ESG issues and their disclosures[xiii].

Table 1: Best performers - US

Rank	Investor	Country	% of votes for*	% of data available
1	Nuveen	US	62.3	100
2	Fidelity International	US	55.7	100
3	Goldman Sachs Asset Management International	US	37.3	96.7

*% of votes in favour by that specific investor for the resolutions that we had data for

8 Resolutions 1.8 on the re-election of Steve Reinemund (2019) and 4 on the separation of the CEO/Chair role (2017, 2018 and 2019) at ExxonMobil are not considered in this section.

9 Asset managers for which less than 50% of the data was available, namely Caisse de depot et placement du Quebec, Credit Suisse Asset Management, Eastspring Investments, Ostrum Asset Management, QIC, and Sumitomo Mitsui Trust Asset Management, were excluded from this ranking. Investors who had voted for less than 50% of resolutions, namely AMP Capital, Eurizon Asset Management and Investec, were also excluded from this ranking.

10 Percentage of votes in favour of the climate resolutions included in our study by specific investors for the resolutions that we had data for. This is applicable throughout this section.

Table 2: Best performers - Europe

Rank	Investor	Country	% of votes for*	% of data available
1	UBS Asset Management	Switzerland	90.2	100
2	Allianz Global Investors	Germany	88.5	100
3	Aviva Investors	UK	86.9	100

*% of votes in favour by that specific investor for the resolutions that we had data for

Table 3: Best performers - Rest of the world and Australia

Rank	Investor	Country	% of votes for*	% of data available
1	Nikko Asset Management	Japan	75.4	100
2	Asset Management One	Japan	73.8	100
2	Manulife Asset Management	Canada	73.8	100
3	BMO Global Asset Management	Canada	73.3	98.36

*% of votes in favour by that specific investor for the resolutions that we had data for

Table 4: Worst performers overall

Rank	Investor	Country	% of votes for*	% of data available
1	Capital Group	JUS	4.9	67.2
2	T. Rowe Price	US	5.3	93.4
3	Blackrock	US	6.7	98.7
3	J.P. Morgan	US	6.7	98.4
4	Vanguard Asset Management	US	8.3	98.4
5	Fidelity Management and Research Co.	US	9.3	88.5
6	Wellington Management International	US	9.8	100
7	Franklin Templeton	US	18.0	100
8	Northern Trust	US	21.3	100
9	State Street Global Advisors	US	26.2	100
10	MetLife Investment Managemen	US	31.6	89.1

*% of votes in favour by that specific investor for the resolutions that we had data for

Our analysis reveals a clear divide in how asset managers vote on climate change resolutions across the globe. The 10 worst performers in this study are all based in the US, and the three best US performers have scores significantly lower than the best performers in the 'Europe' and 'Rest of the World' categories. Indeed, the second and third best US performers, **Fidelity International** and **Goldman Sachs Asset Management International**, have voted for fewer resolutions than 17 of the 18 European asset managers included in the ranking.[11] Furthermore, whilst **Fidelity International**, the European arm of **Fidelity Investments**, is the second best US performer, its US arm is the fifth worst performer overall.

The four best performers in the 'Rest of the World' category, namely **Nikko Asset Management**, **Asset Management One**, **Manulife Asset Management** and **BMO Global Asset Management**, all voted for a greater percentage of climate resolutions than their US counterparts.

These results are highly concerning as the 20 largest US fund managers control about 35% of global AUM, more than double the 14% run by the top 20 European players[xiv]. The world's two largest asset managers, **BlackRock** and **Vanguard**, control the largest block of shares in nearly every publicly traded firm in the US – especially in the energy and utility industries[xv]. A recent analysis by the Guardian showed that **BlackRock**, **State Street** and **Vanguard**, which together oversee assets worth more than China's entire GDP, have built a combined US$300 billion fossil fuel investment portfolio[xvi]. Their investments in high-carbon companies have risen in the last decade, mainly due to the success of tracker funds that use algorithms to follow major stock exchange indices such as FTSE 100 and S&P 500[xvii]. As a result, the effective thermal coal, oil and gas reserve holdings of 'the Big Three' - **BlackRock**, **State Street** and **Vanguard** - through the companies they manage, have surged 34.8% since 2016[xviii].

Furthermore, the large ownership stakes of 'the Big Three' in S&P 500 companies have almost quadrupled in the past two decades – making them responsible for 25% of the votes cast at these companies[xix]. Their size and influence is expected to grow. Academics at Harvard Law School and Boston University predicts that 'the Big Three' will soon become 'the Giant Three' as the authors estimate that **BlackRock**, **State Street** and **Vanguard** could well cast as much as 40% of the votes in S&P 500 companies within two decades[xx].

Their large shareholdings mean they often have the ability to sway the votes of key climate change resolutions. A recent report by the NGO Majority Action shows that a large number of 2019 'climate critical' resolutions would have passed, had Blackrock and Vanguard voted for them[xxi]. Of relevance to this study, this includes:

- Resolution 4 at Atmos ('Report on methane leaks and management action'),
- Resolution 4 at Fluor ('Adoption of greenhouse gas (GHG) emissions reduction targets'), and
- Resolutions 4 ('Independent Chair') and 10 at ExxonMobil ('Report on lobbying payments and policy'.

BlackRock and **Vanguard** held a combined shareholding of 20%, 18%, and 15%, respectively at Atmos, Fluor and ExxonMobil[xxii].

Out of the 10 asset managers who voted for the fewest number of resolutions on climate, **Capital Group**, **T. Rowe Price**, **MetLife** and **Vanguard** are yet to join any engagement initiatives on climate change, with the exception of the Principles for Responsible Investment (PRI), nor are they public endorsers of the TCFD.

11 Eurizon Asset Management did not vote for 51 out of the 61 resolutions considered in this section. However, it voted for 9 or 14.8% of the 10 resolutions it voted for.

On the other hand, the seven other US laggards have joined at least one investor engagement initiative on climate. **BlackRock**, **J.P Morgan**, **Fidelity**, **Wellington Management International**, **Northern Trust** and **State Street** have all also come out in support of the TCFD.

However, despite their public commitment to climate-related disclosures and memberships of engagement initiatives, these asset managers rarely vote in favour of resolutions on climate-related disclosures and in line with the aims of such engagement initiatives. In particular, **Northern Trust**, an investor signatory of CA100+, voted against 12 out of the 16 resolutions filed at CA100+ focus companies included in this study. Some of these resolutions were originated by the CA100+ lead investors of these companies (see sections 5 and 6).

Table 5: Six of the asset managers who voted for the fewest number of resolutions on climate are public endorsers of the TCFD & members of at least one engagement initiative

Investor name	Member of CA100+	Member of CDP non-disclosure project	Member of IIGCC, IGCC, AIGCC, CERES' investor network on climate risk and sustainability or ShareAction's Investor Decarbonisation Initiative (IDI)*	TCFD supporter	% votes for
Capital Group	No	No	No	No	4.88
T. Rowe Price	No	No	No	No	5.26
Blackrock	No	No	Yes – CERES, IIGCC, IGCC, AIGCC	Yes	6.67
J.P. Morgan Asset Management	No	No	Yes - IIGCC	Yes	6.67
Vanguard Asset Management	No	No	No	Yes	8.33
Wellington Management International	No	No	Yes - CERES	Yes	9.84
Fidelity Investments*	No	No	Yes - CERES	Yes	FMR: 9.26
Franklin Templeton	No	No	Yes - IIGCC	No	18.03
Northern Trust Asset Management	Yes	No	Yes - IIGCC	No	21.31
State Street Global Advisors	No	No	Yes - CERES	Yes	26.23
MetLife Investment Management	No	No	No	No	31.58

More information on asset managers' support for the TCFD and memberships of engagement initiatives can be found in Appendix II.

A number of factors may be driving European leadership on proxy voting on climate change.

Sustainable investment is more developed in Europe, both in terms of the amount and proportion of AUM invested sustainably. In Europe, 48.8% of AUM is invested sustainably compared to 25.7% in the US[xxiii]. European investors are also more likely to adopt a strategy of corporate engagement and shareholder action and of filing shareholder resolutions and integrating ESG into proxy voting, according to the Global Sustainable Investment Alliance[xxiv]. This engagement strategy covers 56% of all sustainable investment AUM in Europe, compared to just 18% in the US. ShareAction's data suggests that this difference in investment strategy does indeed feed through to voting decisions regarding climate-related shareholder resolutions.

Another factor explaining European and US asset managers' approach to proxy voting may be cultural. Citizens in the US are twice as likely as EU citizens to doubt or deny climate change[xxv]. Investor attitudes mirror this divergence; 12% of investors in the Americas never or rarely consider ESG factors compared to 4% in Europe[xxvi]. Similarly, European corporates are more likely to disclose climate-related risks and GHG emissions[xxvii], a fact which might make European investors more likely to back climate-related resolutions abroad. In addition, both EU and UK regulators have implemented and are developing policies regarding green finance, sending a clear signal to investors.

Furthermore, European legislation has long encouraged asset owners and asset managers to have responsible investment policies and practices in place.

For example:

- In 2000, the UK enacted legislation that allowed trust-based pension funds to integrate ESG criteria in their investment decisions. The legislation was recently updated to require pension fund trustees to publish a policy that outlines how they consider financially material ESG considerations in investing – including climate change - and on how they undertake their stewardship activities, including voting and engagement, across the scheme's investment. The legislation also clarifies that trustees are allowed to take into account the views of scheme members in investment decision-making[xxviii].

- France's Energy Transition Law, enacted in early 2016, requires that institutional investors – both asset owners and managers - disclose how their ESG approaches align with the country's energy transition strategy[xxix].

- The EU IORP2 directive requires workplace pension schemes to hold an effective and transparent system of governance that includes consideration of ESG factors related to investment decisions, and establish a risk management function and procedures to identify, monitor, manage and report risks, amongst other things[xxx].

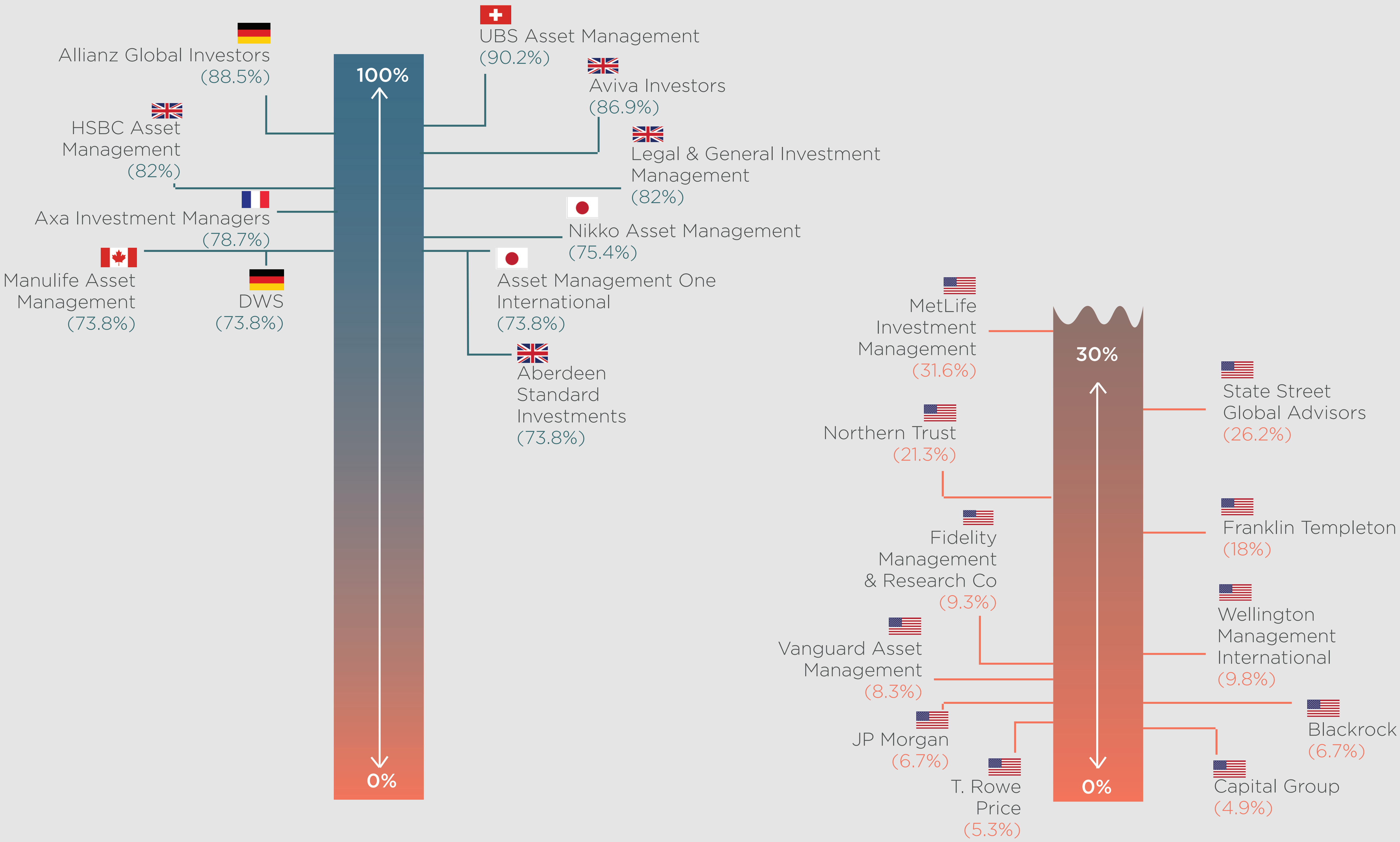
- European institutions have also been at the forefront of sustainable finance developments, with the creation of the High-level group on Sustainable Finance and the European Commission's Sustainable Finance Action Plan, for example.

A recent study by EFAMA found that in most European countries, the asset management industry serves predominantly domestic clients, with the exception of the UK with 40% of AUM managed on behalf of foreign clients[xxxi]. Therefore, we can reasonably assume that asset owners willing to comply with these legislations will have influenced the responsible investment practices of the European asset management industry.

The US regulatory framework presents a different picture. Morningstar puts it quite simply: "in the US firms must justify ESG by explaining why, while in Europe they must explain why not"[xxxii].

Figure 2: Top and bottom 10 asset managers

Based on % of votes in favour of resolutions, for asset managers where over 50% of the data was avaliable



The majority of ESG regulations in the US have emerged as a result of the Employee Retirement Income Security Act of 1974, although the act itself was never updated to promote ESG investing.

The Act created a standard of care requiring fiduciaries to act in the best interests of beneficiaries/members, which is often understood as a duty to maximise shareholder returns without taking ESG criteria into account[xxxiii]. In the mid-1990s, the Department of Labour, which oversees employee-sponsored retirement funds, issued legal guidance that said that, all things being equal, investors could consider non-economic factors in their decisions, and that investors should vote their shareholdings in a considered manner[xxxiv]. In 2008, the Department of Labour issued further guidance on the issue, which was criticised by the US Forum for Sustainable and Responsible Investment as actively discouraging long-term risk management measures such as active ownership and voting[xxxv].

In April 2019, President Trump issued an executive order aimed at "promoting energy infrastructure and economic growth"[xxxvi]. The order explicitly mentions the US "abundant supplies of coal, oil and gas" – leaving no doubts about what types of energy infrastructure the order will be promoting. The order called on the Department of Labour to conduct a review on the fiduciary responsibilities tied to proxy voting to determine whether "guidance should be rescinded, replaced or modified," as well as to review energy investment trends by these retirement funds[xxxvii]. An article by S&P Global notes that the order reflects arguments made by the American Council for Capital Formation, one of the most vocal participants in the Main Street Investors Coalition, an anti-ESG lobby group attempting to undermine shareholder rights to vote on and file resolutions on ESG issues such as climate change. While the ACCF did not say whether it was pushing for the executive order language, David Banks, a former White House international energy and environment aide under the Trump administration, is executive vice president of ACCF[xxxviii]. The order may have a chilling effect on the number of resolutions filed by investors, and discourage investors from supporting ESG resolutions.

Finally, the market structure in terms of active and passive investment also differs. As noted previously, three US investors - **BlackRock**, **State Street** and **Vanguard** – now dominate the index and ETF investment industry, with an 80% market share. Together, these three firms control on average 25% of all voted shares in S&P 500 companies. Index fund managers face two major disincentives when it comes to undertaking stewardship activities. The first one is that if exerting stewardship increases the value of portfolio companies, the increase in value will be shared with everyone else tracking the same index. The asset manager leading the stewardship activities will only capture a small percentage of the value increase. The second one is that index fund managers may have private incentives that are at odds with long-term stewardship, leading them to be excessively deferential, relative to what would best serve the interests of their beneficiaries, such as existing or prospective business relationships with companies being targeted by a resolution[xxxix].

Furthermore, fear of a backlash against the growing power of large asset managers such as 'the Big Three' may incentivise them to be excessively deferential to corporate managers in voting decisions[xl]. Given the strength of the US fossil fuel lobby, a more activist stance on climate-related resolutions could be viewed as a risk for these index managers. Already we have seen the SEC, now dominated by appointees of President Donald Trump, side with corporate management on 45% of contested shareholder proposals at energy and utility companies in 2019 – the highest figure in five years[xli].

Section 3:

A number of CA100+ investor signatories fail to support resolutions at CA100+ focus companies, such as Chevron, Duke Energy, Ford and GM, some of which were originated by CA100+ investor leads.

In this section, we focus on climate resolutions that were filed at three focus companies of CA100+, namely Chevron, Duke Energy and Ford Motor Company (Ford hereafter), over two or three consecutive years. These resolutions were chosen because they each cover one of the three asks of CA100+, to take action to reduce GHG emissions consistent with the goals of the Paris Agreement, provide enhanced corporate disclosure in line with the TCFD, and implement a strong governance framework (which includes obstructive lobbying)[xlii]. We analyse whether asset managers have changed their voting behaviour over time, and if so, what could explain this change in behaviour. We also pay close attention to the voting decisions of CA100+ investor signatories.

3.1 Transition planning resolutions at Chevron

Chevron is an oil and gas major. It is the 12th largest industrial contributor to cumulative GHG emissions, responsible for 1.31% of global industrial GHG emissions between 1988 and 2018[xliii]. It is a CA100+ focus company.

The Union of Concerned Scientists' 2018 accountability scorecard found that Chevron continues to downplay the role of human activity in causing climate change and the need to reduce GHG emissions, and continues to insist that only global climate action is constructive or effective, as opposed to individual company action[xliv]. Prior to its 2019 AGM, the company had no emissions reduction targets, although it has since announced that it would implement intensity targets for some of its Scope 1 and 2 emissions[xlv].

Chevron appears to be opposing almost all forms of climate-motivated regulations and remains a member of obstructive trade associations such as the American Petroleum Institute and the American Legislative Exchange Council[xlvi]. This oppositional attitude could be an explanation as to why it has been the target of numerous shareholder proposals over the years.

Two resolutions on 'transition planning' were filed at Chevron in the last two years.

Resolution wording, 2019:

"Shareholders request that Chevron issue a report (at reasonable cost, omitting proprietary information) on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2 degrees Celsius."

Filers: As You Sow, Arjuna Capital and Boston Trust Walden Company.

Resolution wording, 2018:

"With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value."

Filers: As You Sow, Arjuna Capital

Table 6: Voting results on transition planning resolutions at Chevron

Year	Final voting result (%)	Voted for (%)*	Voted against (%)**	Split (%)*	Abstained (%)*	Did not vote (%)*	Missing data (%)*
2019	33.2	53.5	13.8	5.2	3.5	5.2	19
2018	8.1	20.7	53.5	3.5	0	6.9	15.5

*Figures were rounded to the nearest decimal.

Changes in the wording

Whilst the spirit of the resolution remained the same, the wording was altered significantly between 2018 and 2019. The new wording more clearly reflects the third goal of CA100+, and the ask of the resolution that the New York State Common Retirement Fund (NYSCRF) and the Church Commissioners filed at ExxonMobil, a similar company in its positioning and intransigence, in December 2018[xlvii]. This likely explains the important increase in votes for this resolution, from 8.1% in 2018 to 33.2% in 2019.

Who changed their voting decisions… not always for the better?

APG, a signatory of CA100+, changed its voting decision from 'FOR' in 2018 to 'AGAINST' in 2019.

On the other hand, CA100+ investor signatories **Aberdeen Standard Investments**, **Allianz Global Investors**, **Axa Investment Managers**, **Amundi, Asset Management One**, **First State Investments**, **Janus Henderson UK**, **LGIM**, **Manulife Asset Management**, **Mitsubishi UFJ Trust and Banking Corp**, **Nikko Asset Management**, **Northern Trust**, and **Union Investments** all switched their voting decisions from 'AGAINST' or 'ABSTAIN' to 'FOR'.

Fidelity International, **Goldman Sachs Asset Management**, **Nuveen**, **MetLife**, and **RBC Global Asset Management** also changed their voting decision positively.

State Street went from voting against the resolution in 2018 to abstaining from voting on it in 2019.

CA100+ investor signatories **Aegon Asset Management**, **Aviva Investors**, **BNP Paribas Asset Management**, **DWS Group**, **HSBC Asset Management**, **Generali Investments**, **M&G**, **Schroder Investment Management** and **UBS Asset Management** all voted 'FOR' the resolution in 2018 and 2019.

No CA100+ investor signatory for which we had data voted against this resolution in both 2018 and 2019.

3.2 Disclosure resolution at Duke Energy

Duke Energy is an America electric power holding company in the US. The company recently announced an ambition to halve its CO2 emissions from 2005 levels by 2030, and have a net zero carbon footprint by mid-century – an announcement made after its AGM[xlviii]. The announcement was criticised by campaigners, who noted inconsistencies between Duke Energy's announcement and the plans it recently filed with Indiana state regulators. They note that the company's 15-year plan shows that Duke plans to be only 9% renewables in the Carolinas by 2034, for example[xlix].

The Committee's second longest serving member, after Michael Browning, is Daniel DiMicco, an outspoken climate denialist and former CEO of Nucor, a steel company with an abysmal environmental record. DiMicco has publicly ridiculed efforts to reduce carbon emissions, claiming in 2015 that they were not a serious problem but rather a "Gov't $$$$ grab"[l]. While DiMicco was Nucor's CEO, the company funded the Heartland Institute, which describes its climate programme as countering "UN climate nonsense" and "global warming alarmism and propaganda"[li].

Of the 250 largest publicly listed industrial companies globally, Duke Energy is among the 35 most influential in spending money against measures aligned with the Paris Agreement on climate change, according to InfluenceMap[lii]. Duke Energy is a focus company of CA100+.

Resolution wording, 2019:

Shareholders request that Duke Energy publish a report assessing how it will mitigate the public health risks associated with Duke's coal operations in light of increasing vulnerability to climate change impacts such as flooding and severe storms. The report should provide a financial analysis of the cost to the Company of coal-related public health harms, including potential liability and reputational damage. It should be published at reasonable expense and omit proprietary information.

Filer: As You Sow

Resolution wording, 2017:

Shareholders request that Duke Energy publish a report assessing the public health impacts of its coal use on rates of illness, mortality, and infant death, due to coal related air and water pollution in communities adjacent to Duke's coal operations, and provide a financial analysis of the cost to the Company of coal-related public health harms, including potential liability and reputational damage. The report should be published by 2018, at reasonable expense, and omit proprietary information.

Filer: As You Sow

Table 7: Voting results on disclosure resolutions at Duke Energy

Year	Final voting result (%)	Voted FOR (%)*	Voted against (%)**	Split (%)*	Abstained (%)*	DNV (%)*	Missing data (%)*
2019	41.7	51.7	15.5	1.7	1.7	10.3	19
2017	27.1	37.9	27.6	1.7	0	10.3	22.4

*Figures rounded to the nearest decimal.

Changes in the wording

The 2019 wording was amended in two main ways:

- *It does not specify what factors Duke Energy needs to consider when assessing the public health impacts of its coal use (such as "rates of illness, mortality and infant deaths" as specified in the 2017 wording.)*
- *It does not dictate when the company has to publish its report by*

The stringency of the ask has therefore been loosened, which may explain why the 2019 resolution received 41.7% of the votes, as opposed to 27.1% in 2017.

Who changed their voting decisions… not always for the better?

Generali Investments, a CA100+ signatory, changed its voting decision from 'FOR' in 2018 to 'ABSTAIN' in 2019.

CA100+ signatories **First State Investments**, **Mitsubishi UFJ Trust** and **Banking Corp**, **Schroders**, and **Union Investments** changed their voting decisions from 'AGAINST' to 'FOR.'

Goldman Sachs Asset Management International and **Vanguard Asset Management** voted 'AGAINST' the resolution in 2018 but 'FOR' it in 2019.

CA100+ investor signatories **Aberdeen Standard Investments**, **Aegon Asset Management**, **Allianz Global Investors**, **Amundi**, **APG**, **Asset Management One**, **Aviva Investors**, **AXA Investment Managers**, **DWS Group**, **HSBC Asset Management**, **LGIM**, **Nikko Asset Management**, **Northern Trust**, and **UBS Asset Management** voted 'FOR' it in 2018 and 2019. **Fidelity International**, **Nuveen**, **Nomura Asset Management**, and **RBC Global Asset Management** also did so.

No CA100+ investor signatory for which we had enough data voted against this resolution in both 2018 and 2019.

Selected voting rationales

Blackrock voted against this resolution because it considered that the "Company already has policies in place to address these issues." **Aegon Asset Management** voted in favour because "… it would give shareholders more information on how the company is managing related risks," a rationale similar to that of **AXA**, **Allianz Global Advisors**, **LGIM** and **Schroders**. **RBC Global Asset Management**, who voted for this resolution, stated that it "consider[s] whether the company has recently been involved in climate-related controversies resulting in fines, litigation, penalties or significant environmental, social or financial impacts" when voting on disclosure proposals. This gives us an insight into what asset managers may be looking at when voting on disclosure resolutions.

3.3 Lobbying disclosure resolution at Ford

Ford gets a poor score on the InfluenceMap database[liii], mainly due to the company's track record of opposing climate change regulations for the automotive sector. For example, it has voiced concerns on the commercial feasibility of the 2022-2025 US Corporate Average Fuel Economy (CAFE) and GHG vehicle efficiency standards[liv lv]. Back in 2015, ShareAction coordinated an investor letter signed by investors with over £625 billion in assets to large automobile companies, including Ford, calling for improved reporting of their public policy interventions. The letters asked for specific details on the companies' positions on proposed EU CO_2 emissions standards and US CAFE efficiency and GHG-related standards[lvi]. Ford's opposition to the US CAFE standards is thus a long standing issue.

Furthermore, in direct consultation with policy makers in 2016, Ford opposed the EPA's 2016 technical assessment and final determination of US GHG vehicle emission standards, stressing concerns around customer preference. In January 2017, former Ford CEO Mark Fields lobbied president Trump directly, claiming that the current levels of stringency would cost the US "one million jobs" if they were not relaxed[lvii]. Ford's senior executives are active in several trade associations which appear to be opposing climate change legislation, notably the European Automobile Manufacturers' Association (ACEA) and the Alliance of Automobile Manufacturers[lviii]. Ford is a focus company of CA100+.

Resolution wording, 2019, 2018 and 2017:

"The shareholders of Ford request the preparation of a report, updated annually, disclosing: 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. 2. Payments by Ford used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.3. Description of management's decision making process and the Board's oversight for making payments described in section 2 above. For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Ford is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Ford's website.".

2019 Resolution co-filers: NYSCRF (lead), AP7, Robeco and the Unitarian Universalist Association

Table 8: Voting results on lobbying resolutions at Ford

Year	Final voting result (%)	Voted FOR (%)*	Voted against (%)*	Split (%)*	Abstained (%)*	DNV (%)*	Missing data (%)*
2019	16.5	51.72	13.79	1.72	0	10.34	22.41
2018	16.8	48.28	20.69	0	0	13.79	17.24
2017	17.25	44.83	22.4	0	0	13.79	18.97

*These figures were rounded to the nearest decimal

Changes in the wording

The wording remained constant over the years, although the rationale (or supporting statement) was amended to reflect rising investor support for climate-aligned lobbying and the emergence of engagement initiatives like CA100+. Despite this, the resolution received less votes in 2018 and 2019 than it did in 2017. The 2019 resolution was originated by CA100+ leads.

Who changed their voting decisions… not always for the better?

CA100+ signatory **Northern Trust** voted against this resolution in 2017, 2018 and 2019.

CA100+ investor signatories **Aberdeen Standard Investments**, **Allianz Global Investors**, **APG**, **Asset Management One**, **AXA Investment Managers**, **Amundi**, **Aviva Investors**, **DWS Group**, **First State Investments**, **HSBC Asset Management**, **LGIM**, **M&G Investments**, **Manulife Asset Management**, **Nikko Asset Management**, **UBS Asset Management**, **Schroders**, and **Union Investments** all voted 'FOR' this resolution over the last three years.

Fidelity International, **Invesco**, **Nuveen**, and **RBC Global Asset Management** also did so.

CA100+ investor signatory **Mitsubishi UFJ Trust** and **Banking Corp** and non-signatories **Wellington Management International** and **FMR** changed their voting decisions from 'AGAINST' in 2017 and 2018, to 'FOR' in 2019.

State Street changed its vote from 'FOR' in 2017 to 'AGAINST' in 2018 and 2019.

3.4 Resolution 22 at BP and Resolution 5 at General Motors

The CA100+ leads of BP, as well as a large number of CA100+ investor signatories, filed a resolution at oil major BP asking the company to set out and publish how its strategy is consistent with the Paris goals. The resolution was supported by BP's management team and passed with more than 99% of the votes. Despite the company's support for the resolution, we found that at least one of **MetLife's** funds voted against the CA100+ resolution at **BP**. Every other asset manager included in this study voted for the resolution.

A lobbying resolution was also filed at General Motors by its CA100+ leads. **Northern Trust** voted against it. Our data suggests that every other investor signatory either voted for the resolution or failed to exercise their right to vote. **Blackrock**, **State Street** and **Vanguard**, with a combined holding of 17.4% in the company (as of March 2019), all voted against the resolution.

Section 4:

A number of 'historical' resolutions face relatively low levels of support, with investors sticking to their voting decisions through the years.

This section examines how asset managers have voted on resolutions filed at BlackRock, CH Robinson Worldwide, Chevron, Duke Energy, ExxonMobil, FedEx, Flowserve Corporation, Fluor Corporation, Ford, Illinois Tool Works, Motorola Solutions Inc., United Parcel Service and Walt Disney from 2017 to 2019. Figure 5 looks at whether asset managers have changed their votes positively or negatively or voted consistently on these resolutions over the years.

Figure 4 illustrates how the final voting results of these resolutions have evolved over the years. It clearly shows that six of the 14 resolutions included in this section have seen falling or stagnant rates of support over the years. Table 8 analyses these resolutions in detail.

Table 8: Falling and/or stagnating rates of support for a number of historical resolutions

Company	Issue	Voting results	Stagnating or falling	Negative consistency (CA100+ members)?	Negative change (CA100+ members)?
Blackrock Inc.	Lobbying	From 20% in 2018 to 20.7% in 2019	Stagnating	Northern Trust, Union Investments	
CH. Robinson Worldwide Inc.	Targets	From 37.8% in 2018 to 26% in 2019	Falling		Aberdeen Standard Investments, Northern Trust
FedEx	Lobbying	From 27% in 2018 to 26% in 2019	Falling		Schroders
Ford	Lobbying	From 17.25% in 2017 to 16.5% in 2019	Falling	Northern Trust	
Illinois Tool Works	Lobbying	From 24.6% in 2018 to 21.3% in 2019	Falling	Northern Trust, First State Investments	
United Parcel Service Inc.	Lobbying	From 19.7% in 2017 to 19.6% in 2018 to 20.7% in 2019	Stagnating	Northern Trust, Union Investments	

These relatively flat levels of support can be due to a combination of factors, such as investors judging that the company has since met most of the main asks of the resolution or the company's performance relative to its peers, for example. Yet our data suggests that only a small number of asset managers included in this analysis have changed their voting behavior with respect to the resolutions listed above. This suggests that a large number of investors have stuck with their voting decisions over the years.

Figure 3: Positive voting trends (2017-2019)

% of positive votes, based on company resolution

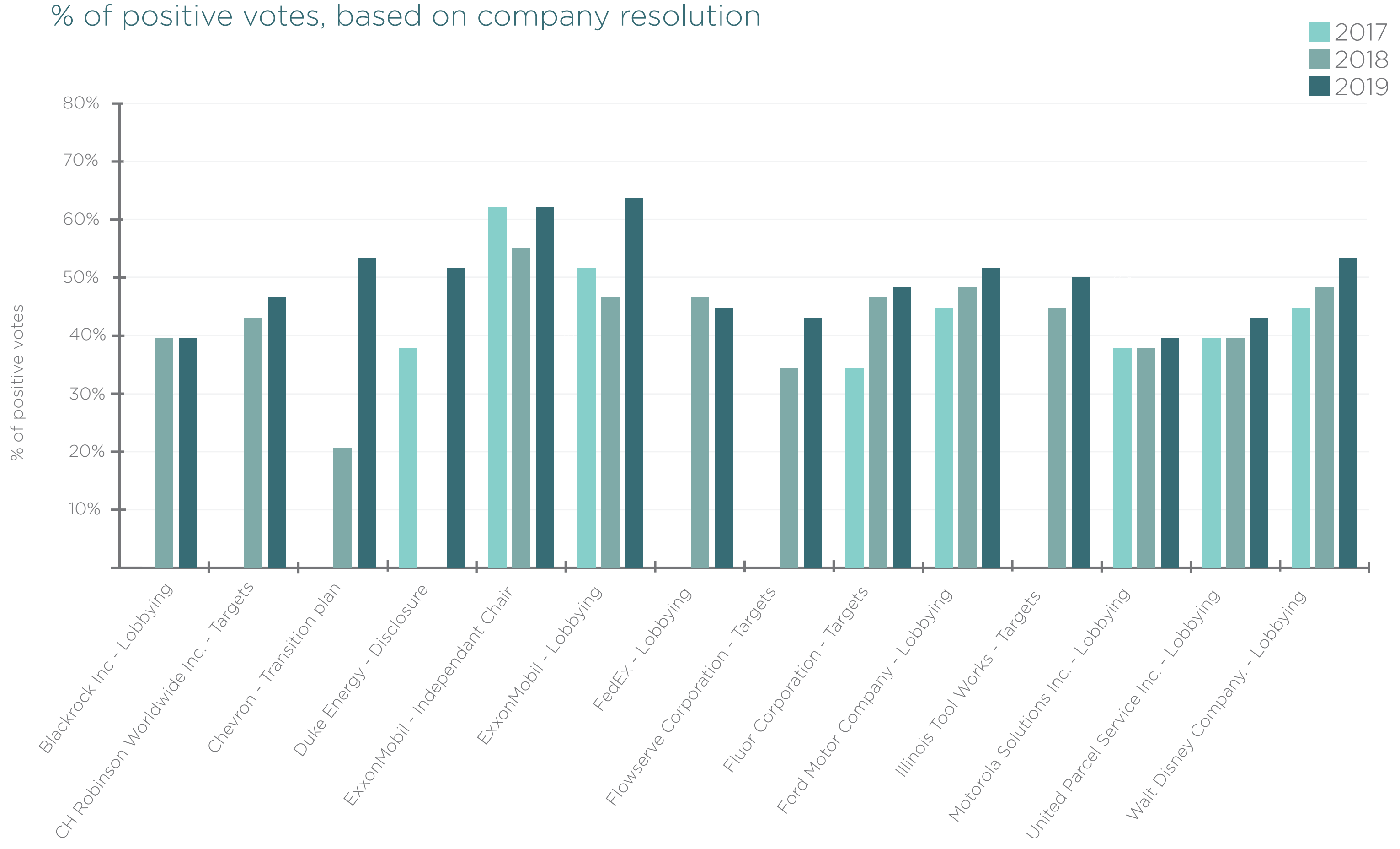


Figure 4: Changes in voting patterns 2017-2019

Number of investors who changed their vote positively or negatively

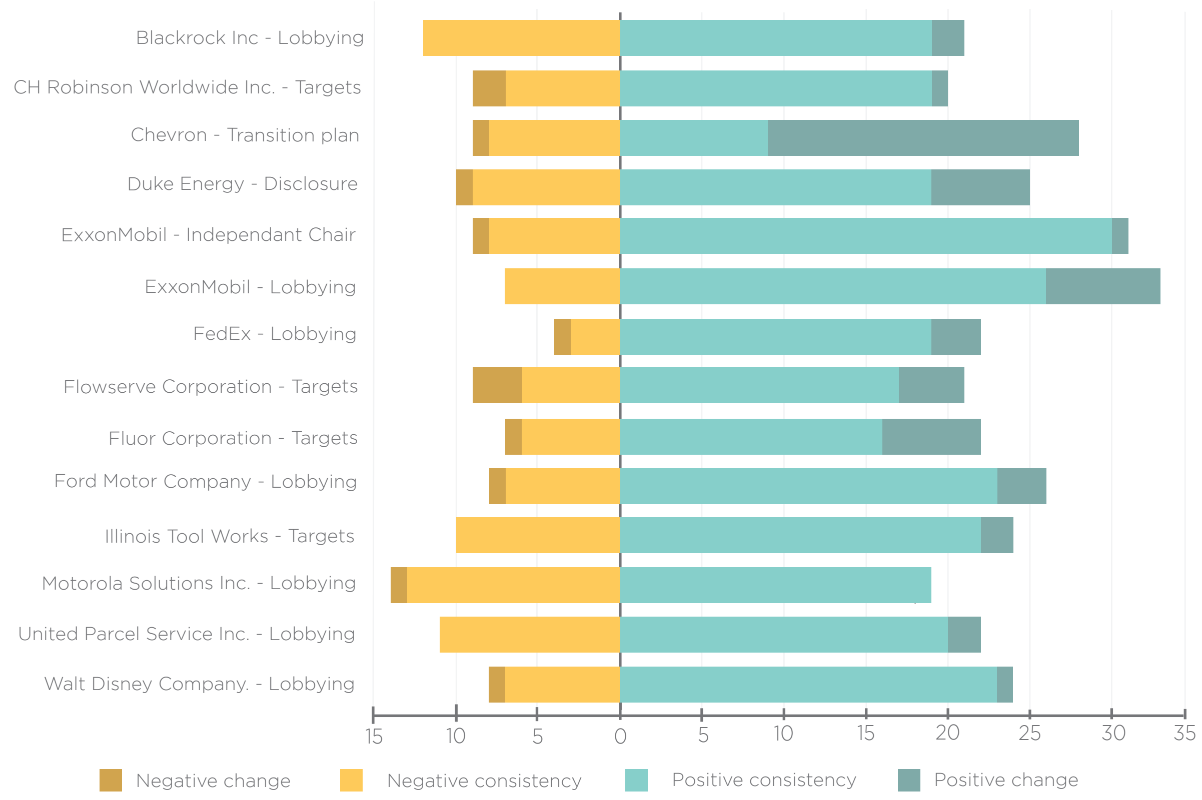
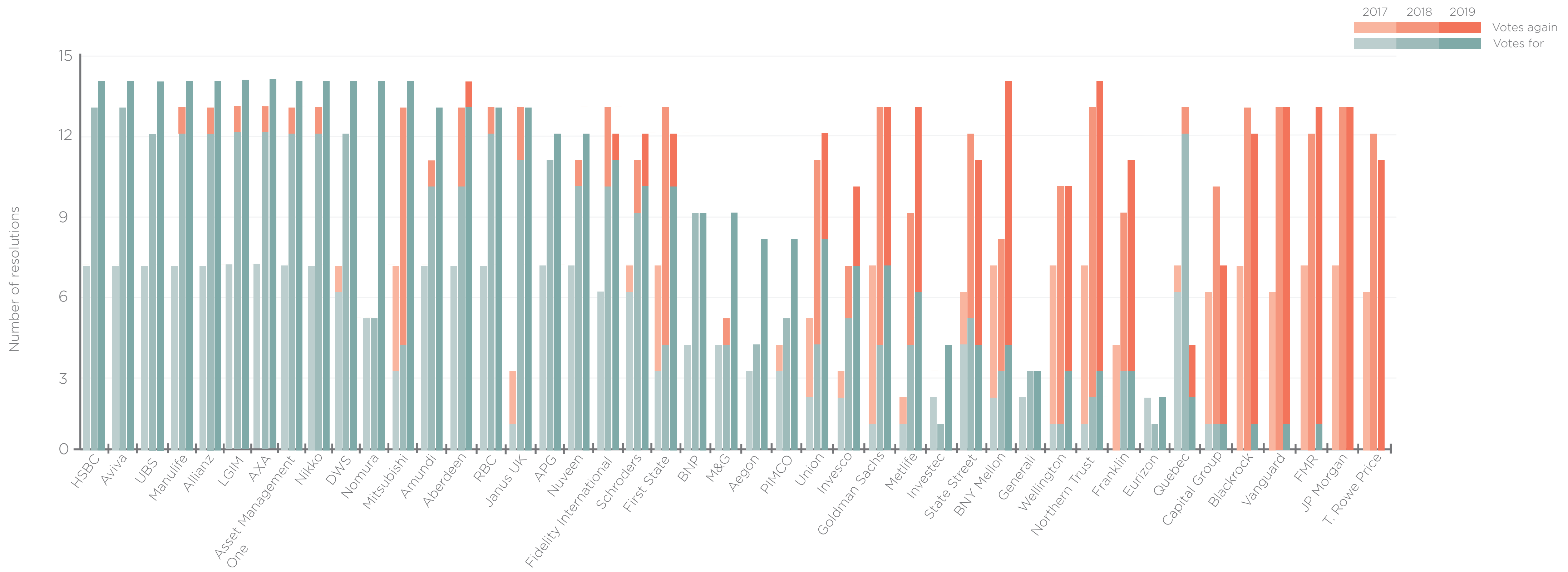
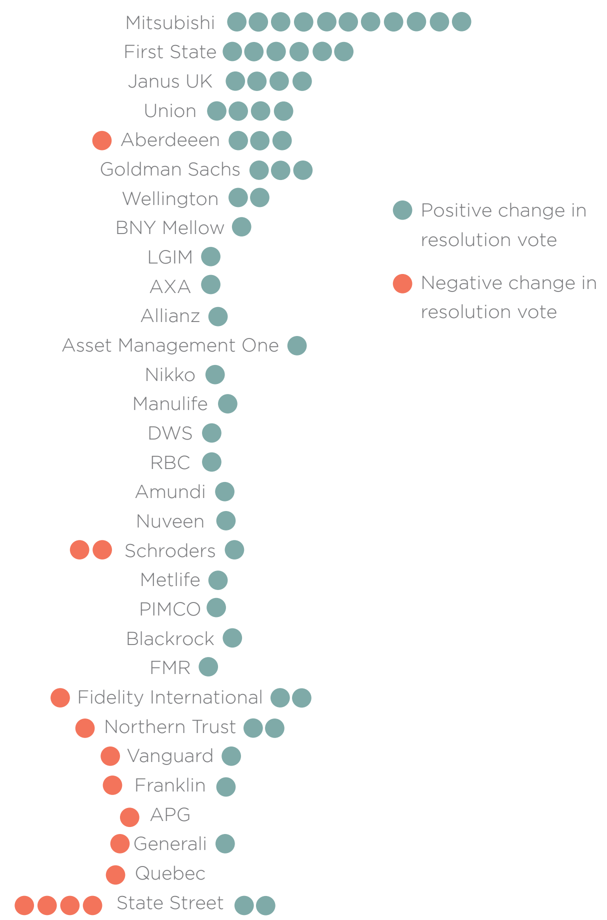


Figure 5: Which investors have made the biggest improvement?

Number of positive and negative votes per investor (across 14 resolutions) and negative & positive changes between 2017-2019





Section 5:

The ExxonMobil AGM is a great example of investors, especially CA100+ investor signatories, embedding climate change into their voting decisions on director re-election and other governance matters.

5.1 Contextual information

In December 2018, the Church Commissioners and the NYSCRF, backed by a coalition of more than 30 investors representing US$1.9 trillion in assets, filed a shareholder proposal asking ExxonMobil to set Scope 1, 2 and 3 emissions targets aligned with the goals of the Paris Agreement[lix]. These two investors have been engaging together with the company on ESG issues since 2015 and are the CA100+ leads for ExxonMobil. Instead of engaging positively with these investors, ExxonMobil asked the US SEC for permission to block their shareholder proposal, on the grounds that it was "impermissibly vague and indefinite so as to be inherently misleading" and sought to "micro-manage" the company. It also argued that its 2018 Energy and Carbon Summary "substantially addresses the principal objective of the proposal: that the company do its part to help address the risks of climate change and (…) report to shareholders on those actions". The SEC ruled in Exxon's favour, preventing shareholders from exercising their basic shareholder rights and voting on a much needed shareholder proposal[lx].

In response to the SEC's decision, the Church Commissioners and NYSCRF lodged exempt solicitation documentation with the SEC. This announced that both investors will be voting against the re-election of the entire ExxonMobil board, as well as voting for item 4 (calling for an independent chair) and item 7 (asking for the establishment of a climate change committee) on ExxonMobil's ballot. Both investors encouraged other investors to take a robust approach to voting at the ExxonMobil AGM[lxi].

This section examines how responsive CA100+ investor signatories were to the Church Commissioners and the NYSCRF's call.

5.2 ExxonMobil – Item 1.8: Re-election of Steve Reinemund, ExxonMobil's equivalent of an independent director

CA100+ investor signatories **Aviva Investors**, **Axa Investment Managers**, **BMO Global Asset Management**, **Investec**, **PIMCO**, **UBS Asset Management**, **Union Investments** all voted against the re-election of Steve Reinemund. BNP Paribas Asset Management voted against the entire board, while **LGIM** and **PIMCO** voted against six and five board members, respectively[lxii]. Notably, **BlackRock** also voted against the re-election of Steve Reinemund. **BMO Global Asset Management** voted against the entire board minus the CEO because "the company is behind its peers on climate change and is currently resisting engagement with a well-established and respected investor collaboration group for which [they] are part, [they] consider there to be a lack of sufficient oversight at the company".

Aegon Asset Management abstained from voting on the re-election of the entire board (except Ursula M. Burns, which it voted against). Its voting rationale was the following: "Abstentions are warranted due to concerns around investor engagement related to climate change. Significant risks to shareholders stemming from severe ESG controversies have been identified at the company, which reflects a failure by the board to proficiently guard against and manage material [ESG] risks". **DWS Group** also abstained from voting on the entire board, except for Steve Reinemund, for which it voted against.

Schroders voted against the re-election of Kenneth Frazier as the Head of the Governance

Committee, instead. The asset manager referred to the company's decision to block the Church Commissioners and NYSCRF's proposal as a reason for voting against Mr Frazier: "We find that the omission of recent SEC filings over multiple climate-related resolutions on the company's AGM agenda shows a lack of a consideration for climate change risks and an inconsistency in actions with public support declarations, such as supporting the Paris Agreement. Overall, this decision displays a lack of oversight on the issue and warrants a vote against Kenneth Frazier as head of the governance committee".

A number of smaller asset managers and asset owners who are signatories to the CA100+ also voted against the re-election of ExxonMobil's directors, citing concerns around investor engagement related to climate change.

Capital Group, **Fidelity, Invesco**, **Vanguard** voted for the re-election of the entire board[lxiii].

After the company's AGM, **LGIM**, one of ExxonMobil's top 20 shareholders announced that it would divest from ExxonMobil from its Future World Funds, and vote against the company's chair with its funds that remain invested in ExxonMobil.

5.3 ExxonMobil – Item 4: independent chair

Every CA100+ investor signatory which we had data for, except **Northern Trust** and **Schroders**, supported this resolution.

5.4 ExxonMobil – Item 7: climate change committee

BlackRock, **Fidelity**, **Goldman Sachs AM**, **Macquarie AM**, **Nomura**, **RBC Global Asset Management**, **State Street**, **Vanguard** all voted against it.

CA100+ investor signatories **Aberdeen Standard Investments**, **Aegon AM**, **Aviva Investors**, **AXA Investment Managers**, **BNP Paribas AM**, **Generali**, **Investec**, **LGIM**, **M&G**, **Nikko AM**, **PIMCO**, **UBS Asset Management**, **Union Investment**, voted for it whilst **Amundi**, **APG**, **Asset Management One**, **Caisse de depot et placements du Quebec**, **HSBC AM**, **Janus Henderson**, **Manulife, Mitsubishi**, **Northern Trust**, and **Schroders** voted against it.

5.5 ExxonMobil – Item 10: political lobbying

Every CA100+ investor signatory which we had data for, with the exception of Northern Trust, voted for this resolution. **BNY Mellon**, **Fidelity International**, **Franklin Templeton**, **Goldman Sachs**, **Macquarie AM**, **Nomura**, **RBC Global Asset Management**, **T. Rowe Price**, and **State Street** also voted for it.

5.6 Conclusion

Our analysis suggests that a large number of the CA100+ investor signatories included in this analysis responded to the Church Commissioners and NYSCRF's call to take a robust approach to voting at the ExxonMobil AGM. This is highly encouraging. Institutional investors have for far too long failed to consider climate factors when voting on ordinary resolutions[lxiv]. We hope that the ExxonMobil AGM is a sign of things to come – and that asset managers will finally start using their votes for change in a more systematic way.

Section 6:

Resolutions on corporate lobbying and climate-related disclosures seem to have entered the mainstream. Resolutions on targets and transition planning filed by retail shareholders have received fewer votes than those filed by institutional investors in 2019.

We first analysed which types of resolutions filed in 2019 were preferred by investors. We found that the resolutions on climate-related disclosure filed in 2019 received a higher rate of support than resolutions on political lobbying and on transition planning and/or targets. This reveals a growing expectation from investors that companies are transparent about how they manage and price climate-related risks. This notion of 'risk' is reflected in asset managers' rationales for voting in favour of resolutions asking for better climate-related disclosure[12].

For example, in response to a proposal asking Charter Communications Inc. to publish a sustainability report, **Allianz Global Investors**, **Aviva Investors** and **Schroders** all said that investors would benefit "from additional information on the company's sustainability policies and practices as well as its management of related risks and opportunities", while **LGIM** said it considered sustainability issues to be "material information for investors." **M&G Investment Management** voted for a disclosure resolution at Amazon because "in [its] view, the company should provide comprehensive disclosure to shareholders on its environmental impacts and risks." In response to a disclosure resolution at Whitehaven Coal, **Schroders** said that "(...) its current reporting focuses on the opportunities and does not provide enough detail on the risks of its key customers adapting to a different energy mix. For example, it does not appear to comment on a 2°C scenario unlike several of its peers. Furthermore it has not reported to CDP".

Table 9: Climate disclosure resolutions are preferred by investors

Category of resolution	Number of resolutions filed by institutional investors (average rate of support)	Number of resolutions by retail investors, inclduing NGO groups (average rate of support)	Number of resolutions filed jointly by both groups (average rate of support)	Average voting result (%)	Range of voting results for that category of resolutions (%)
Climate-related disclosures	1 (28.2)	4 (34.7)	1 (38.2)	34.2	25-40.1
Lobbying	12 (26.2)	1 (46.3)	0	27.7	6.6-46.3
Emissions reduction targets and/ or transition plans	8 (38.4)	9 (11.6)	1 (33.2)	24.7	0.5-99.1
Board oversight (Climate governance)	2 (7.5)	0	0	7.5	7.4-7.6

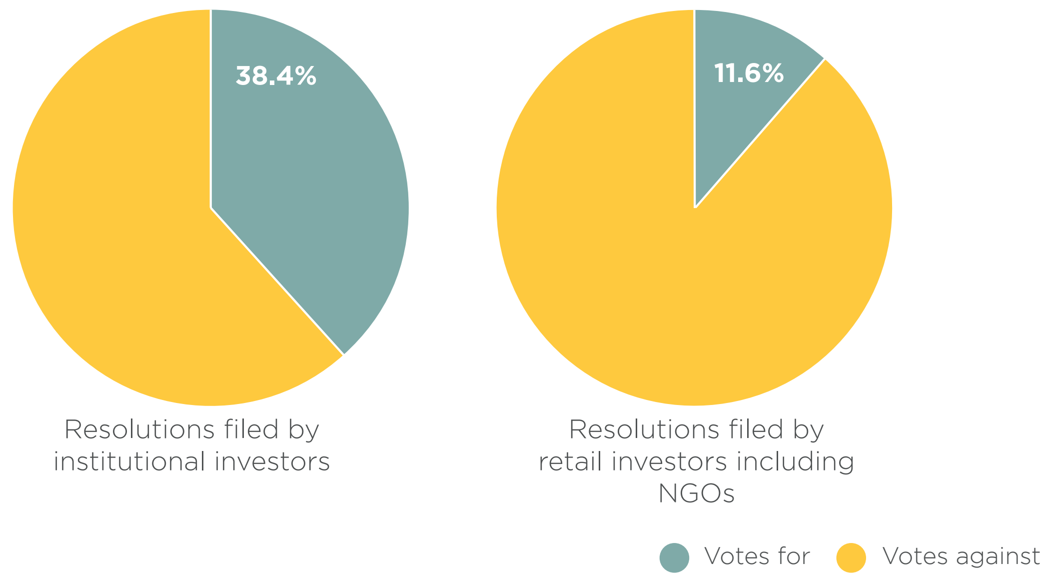
11 When provided by the investor, Proxy Insight records a short rationale for a given vote. A number of asset managers also provided us with rationales behind some of their votes.

This preference for disclosure resolutions is also reflected in the types of resolutions that have been filed over the years. An analysis undertaken by ISS Analytics identified a move away from investors asking companies to take specific action with respect to a business activity towards seeking disclosure, risk assessment and oversight of a specific issue between 2000 and 2018[lxv]. The scope of the ISS study is much larger than this one, as it focused on social and environmental resolutions filed at Russell 3000 companies.

Table 9 suggests there is a difference between the voting results of resolutions on 'targets' or 'transition planning' depending on whether these were filed by retail or and institutional investors. Indeed these resolutions received an average of 11.6% and 38.4% of votes, respectively. More than 90% of the resolutions filed by retail investors were filed by NGOs or charity groups. Could this difference be due to how the core asks of these resolutions were worded?

Figure 6: How does who files a resolution impact votes?

Average rate of support for resolutions on transition planning and target



To answer this question, we looked at:

How investors ask companies to take action

Seven of the eight resolutions filed by institutional investors, six of the nine resolutions filed by retail investors and the only resolution jointly filed by both groups all "request" the company to take a certain course of action. The three other resolutions filed by retail shareholders "call on (...)", "express our opinion that the Board must ensure (...)" and "report to shareholders (...) the company's actions". The remaining resolution filed by institutional investors "direct[s]" the company to take action.

There does not seem to be any significant differences in how insitutional and retail investors ask companies to take a certain course of action.

The nature of the ask

Investors use a number of different words to categorise the type of action that they want the company to take. The most popular word was "adopt", which was used twice by both retail and institutional investors, whilst "set and publish" and "prepare a public report" were both used once by retail and institutional investors. Resolutions filed by institutional investors ask companies to "adopt" (2), "oversee the adoption" (1), "set and publish" (1), "adopt a policy" (2), "prepare a climate change report (...) that describes how (...)" (1), and "include (...) a description of its strategy (...) (1)".

Indeed, resolutions filed by retail investors ask companies to "prepare a public report" (1), "adopt" (2), "disclose" (1), "set and publish" (1), "refrain from" (1), "set out" (1), and that "the board must ensure that [the company takes action]" (1).

The phrases "refrain from" and "must ensure" seem more prescriptive and binding than others, which may partly explain why these NGO-led resolutions, namely Resolution 9 at Equinor and Resolution 8 at Whitehaven Coal, received only 0.5% and 2.8% of the votes, respectively. Other factors explaining the low voting result at Equinor is that the company is majority-owned by the state and that Equinor investors are subject to "share blocking" (where investors are required to hold stock for a certain period before an AGM to be able to vote).

With the exception of these two resolutions, the nature of the ask was similar across our sample of resolutions.

The stringency of the ask

Resolutions filed by institutional investors asked companies to take action "consistent with" (1), "in light of" (1) or "taking into account the goals" (1) or "objectives" (2) "of the Paris Climate Agreement" (1), or "consistent with the goals of Articles 2.1(a)(1) and 4.1(2) of the Paris Agreement (the 'Paris Goals')" (1). Others were asked to set and publish targets "aligned with the goal of the Paris Agreement to limit global average temperature increase to well below 2°C Celsius relative to pre-industrial levels" (1) or to "aligning its long-term business strategy with the projected long-term constraints posed by climate change" (1).

Resolutions by retail investors asked companies to take action "aligned with the goal of the Paris climate Agreement to limit global average temperature increase to well below 2°C" (3), "in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2°C" (1) or "consistent with the goal of the Paris Agreement to limit the increase in global average temperature to 1.5°C" (2) or "with the climate goals of the Paris Agreement". Other asked companies to "reduce [their] company-wide dependence on fossil fuels" (1), act "beyond regulatory requirements to reduce its greenhouse gas emissions and associated climate risk" (1) or just highlighted the "need to halve global greenhouse gas emissions by 2030 in order to avoid global warming to exceed 1.5°C."

The resolution jointly filed by retail and institutional shareholders asked for "alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2°C."

In this case, we do find differences between the wordings of resolutions filed by institutional investors and those filed by retail investors. Indeed, no resolution filed by institutional investors explicitly mentioned the "1.5°C" goal in their core ask, whilst three NGO-led resolutions did. Four resolutions filed by retail shareholders, the resolution filed by both retail and institutional investors and one resolution filed by institutional investors explicitly mentioned the "well-below 2°C goal". The CA100+ resolution at BP explicitly referred to Article 2.1a of the Paris agreement, which mentions the "well-below 2°C goal" and refers to "pursuing efforts to limit the temperature increase to 1.5°C".

Still, a majority of resolutions filed by each group referred to the 'goal(s)' or 'the objectives' of the Paris agreement.

These differences in wordings do not fully explain the low voting scores of resolutions filed by retail investors. Indeed, excluding the three resolutions that mentioned the 1.5°C goal only increases the average voting result of resolutions on target-setting and/or transition plans from 11.6 to 15.1%, as opposed to those filed by institutional investors which have an average rate of support of 38.4%. Yet, the stringency of wording is often mentioned in asset managers' rationales for voting against or abstaining from voting on resolutions filed by retail shareholders.

For example, **BMO** abstained from voting on Resolution 23 at BP because "Although [BMO] support the ask for comprehensive target setting for all CO2 emissions in the value chain, [BMO] choose to refrain from dictating the level of ambition." It cites some of the climate actions taken by BP but raises concerns about "BP's strong emphasis on flexibility as a main drive of its strategy" which "contributes to [BMO's] concerns [that BP hasn't yet demonstrated that its strategy is consistent with the Paris goals]". **RBC Global Asset Management** voted against Resolution 23 at BP because "proposals should generally refrain from specifying how corporations should achieve the desired objectives" and that "it found "[Resolution 23] to be too prescriptive in this case, as it was a binding proposal requiring BP to set and publish GHG reduction targets aligned with the Paris Agreement, which would be irrevocable except by way of a further special resolution approved by a supermajority of shareholders". Yet both of them voted for a resolution at Illinois Tool Works asking for the company to "adopt quantitative, company-wide targets for reducing greenhouse gas (GHG) emissions, consistent with the goals of the Paris Climate Agreement". It would appear that this is not a universally shared concern however. **Aegon Asset Management** voted for Resolution 23 at BP, which it saw as "[building] on the strategy and reporting associated with the Climate Action 100+ resolution to request concrete action via target setting in-line with the achieving the objectives of the Paris Agreement".

Differences in wordings could also be explained by the current US political landscape, where the SEC has been found to reject an increasing percentage of ESG resolutions since President Trump took office in January 2017[lxvi]. Seven out of eight resolutions filed by institutional investors were filed at US companies, whilst only two out of nine resolutions filed by retail investors were filed at US companies. Investors – large and small - targeting US companies have to anticipate the SEC's reasons for rejection, to maximise their chances of their resolutions ending up on companies' ballots[lxvii].

Time boundedness of the ask

Three of the resolutions filed by institutional investors asked the company to take action by a certain date, namely the resolutions filed by at Ross Stores Inc., Fluor and BP, and so did the retail shareholder-led resolution filed at Rio Tinto.

In this instance, it seems like the resolutions filed by institutional investors were more stringent than the ones filed by NGOs, as a larger number of them asked the company to take action by a certain date.

Additional actions asked of the company

The resolutions filed by institutional investors at Cenovus and BP and the resolution filed by an NGO at Origin Energy asked companies to review their targets regularly.

The resolutions filed by institutional investors at Illinois Tool Works, Flowserve and BP asked companies to publish an annual review of progress, and so did the NGO-led resolutions filed at Origin Energy and QBE.

Again, we found strong similarities between resolutions filed by retail and institutional investors. A majority of resolutions filed by both groups do not ask the company to review its targets or to publish an annual review of progress. A small number of resolutions filed by both groups ask companies to take either of these actions.

In conclusion, we found strong similarities in the wordings of resolutions filed by institutional investors and retail investors. The main difference that we found was around the stringency of the ask. Indeed, three NGO-led resolutions with extremely low voting results explicitly referred to the 1.5ºC goal. Yet, removing these resolutions from our sample of NGO-led resolutions only increases the average voting result for these resolutions by four percentage points. Furthermore, the increased tendency of the SEC to side with companies and exclude resolutions from AGM ballots may explain why resolutions are worded differently in the US, where most of the resolutions originated by institutional investors were filed. Still, we find that differences in resolutions wordings do not fully explain why resolutions filed by retail shareholders have received significantly fewer votes than resolutions filed by institutional investors. Another factor influencing investors' voting decisions could be whether the resolution is binding (such as in the UK) or advisory (such as in Australia and the US).

Section 7:

Conclusion & Recommendations for asset owners.

This analysis has identified a clear discrepancy in how asset managers use their proxy voting rights to drive corporate change and exert stewardship. US asset managers are clearly lagging behind their peers, especially European managers, in terms of proxy voting on climate change resolutions.

Proxy voting is the primary means by which shareholders can exert influence over their investee companies and exert stewardship on issues such as executive pay, gender balance on board and climate change action. It is also often the only real evidence that beneficiaries and asset owners have of their asset managers acting on their behalf on ESG issues. This right has increasingly been delegated to asset managers, and yet again from asset managers to service providers such as proxy advisers and custodians. Yet a 2018 AODP survey of the world's largest 100 asset owners found that a vast proportion of pension funds provide no information on how they require their asset managers (whether internal or external) to incorporate climate-related issues into their investment decision-making[lxviii].

As stewards of capital for millions of beneficiaries, asset owners have a duty to monitor the engagement activities and proxy voting records of their asset managers. We suggest the three following recommendations for asset owners interested in making sure that their money is being used to steer companies onto a path aligned with the goals of the Paris Agreement.

Recommendation 1:

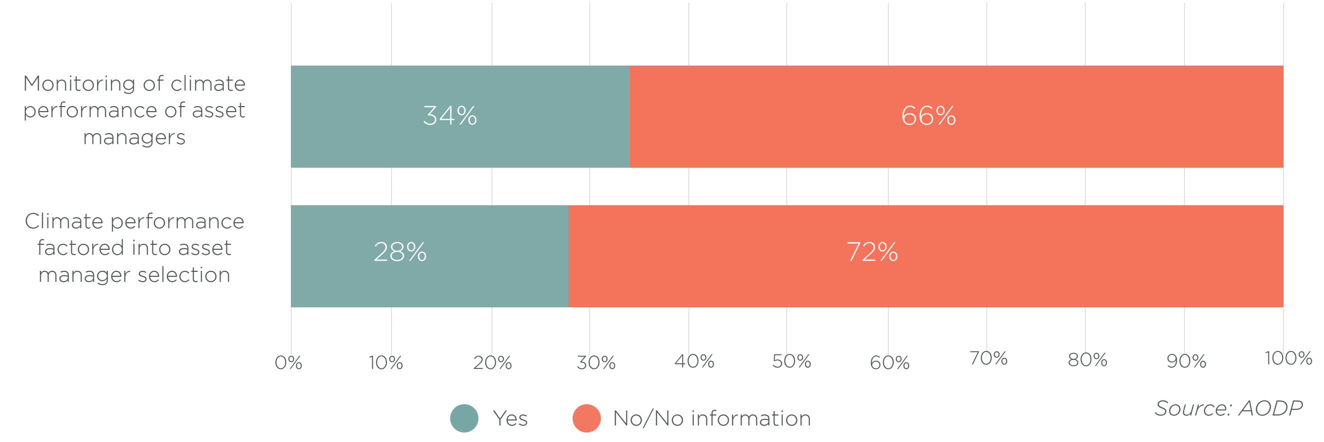
Use our findings and our table in Appendix II to inform your selection and engagement with asset managers.

Recommendation 2:

Assess asset managers' climate-related performance and proxy voting record on climate change resolutions during the asset manager selection process.

As illustrated by Figure 1 below, only a small percentage of asset owners assess the climate-related performance of asset managers in their selection process. Yet, voting is a key way to exert stewardship and address material ESG risks.

Figure 7: A small percentage of asset owners monitor the climate performance of their asset managers and/or factor climate change into their asset manager selection



Recommendation 3:

Monitor your asset managers' proxy voting decisions on climate change resolutions and on ordinary resolutions at companies that have shown persistent inaction on climate change and/or reluctance to engage with their shareholders. Having clear engagement priorities will help asset owners challenge asset managers who don't track and report progress regularly and effectively, or do not appear to incorporate climate change into its proxy voting decisions. These engagement priorities should clarify what type of action is requested from companies, and which companies the asset owner considers to be most at risk in its portfolio.

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

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

For example, LGIM publishes its voting decisions including the rationale of their votes against management in monthly voting reports that are available on their website[lxix].

- Develop and publish an escalation strategy in case engagement milestones are not met. This should include voting against ordinary resolutions and/or for special resolutions on climate change. Asset managers should also explain how feedback from company engagement feed in to proxy voting decisions, and what their engagement milestones are[lxx].

Sarasin & Partners' Climate Impact Pledge states that they "oppose director appointments where individuals are blocking the implementation of a Paris-aligned strategy [and] vote against auditors where [they] believe the Annual Report and Accounts fail to report material climate risks. [They] expect real action within three-years"[lxxi].

The Church of England's voting policy[lxxii] *is to vote against Chairs of companies rated Level 0 or 1 by the Transition Pathway Initiative (TPI), and vote against Chairs of electricity utilities covered by both TPI and CA100+ that do not have emissions reduction pathways consistent at least with the Nationally Determined Contributions submitted by parties to the Paris Agreement, or whose disclosure is inadequate in order to make such an assessment.*

- Periodically update and review their proxy voting guidelines in light of new scientific developments & best-practice in the sector, and consult their clients when doing so.
- Allow their clients to have their own distinct voting policies[lxxiii].

Appendix I: List of resolutions

Shareholder resolutions were selected using CERES' climate and sustainability engagement tracker[lxxiv], the Australasian Centre for Corporate Responsibility (ACCR)'s database of 'resolution voting history on environmental or social issues' at the largest 200 companies of the ASX 200[lxxv], and ShareAction's 'European tracker: shareholder resolutions on climate change'[lxxvi].

The criteria used to select resolutions were as follows:

1. Climate change resolutions filed at S&P 500 companies. This includes resolutions on deforestation and on political lobbying, when those mentioned climate change.
2. Resolutions originated by CA100+ lead investors.
3. Resolutions at ExxonMobil for which CA100+ lead investors were seeking votes for. We understand that some of these resolutions are not 'pure climate' resolutions and that other factors will have been taken into account when voting on these proposals.
4. Resolutions that meet criteria 1-3 and were also filed in 2017 and/or 2018 at that same company.
5. A selection of climate resolutions filed by civil society organisations between October 2018 and September 2019.

Table 11: List of resolutions included in this report

Company	Year	Resolution No	Resolution Text	Voting result (%)
Amazon.com Inc.	2019	11	Report on Climate-Related Transition Plan	30.9
Atmos Energy Corporation	2019	4	Report on Methane Leaks & Management Actions	34.8
Blackrock Inc.	2019	4	Report on lobbying	21.7
Blackrock Inc.	2018	5	Report on lobbying	21.0
BP Plc	2019	22	Approve the Climate Action 100+ Shareholder Resolution on Climate Change Disclosures	99.1
BP Plc	2019	23	Approve the Follow This Shareholder Resolution on Climate Change Targets	8.4
Cenovus Energy Inc.	2019	4	Set and Publish GHG Emissions Reduction Targets	10.6
CH Robinson Worldwide Inc.	2019	5	Adopt GHG targets	26.6
CH Robinson Worldwide Inc.	2018	4	Report on feasibility of adopting GHG disclosure and management	37.8
Charter Communications Inc.	2019	5	Publish sustainability report	28.2
Chevron Corporation	2019	5	Report on Plans to Reduce Carbon Footprint Aligned with Paris Agreement Goals	33.2
Chevron Corporation	2018	6	Report on Transition to a Low Carbon Business Model	8.1
Chevron Corporation	2019	6	Establish Environmental Issue Board Committee	7.6

Table 11: List of resolutions included in this report continued

Company	Year	Resolution No	Resolution Text	Voting result (%)
Duke Energy Corporation	2019	6	Report on the Public Health Risk of Dukes Energy's Coal Use	41.7
Duke Energy Corporation	2017	8	Report on the Public Health Risk of Dukes Energy's Coal Use	27.1
Equinor ASA	2019	8	Discontinuation of Exploration Drilling in Frontier Areas, Immature Areas, and Particularly Sensitive Areas	0.5
Equinor ASA	2019	9	Instruct Company to Set and Publish Targets Aligned with the Goal of the Paris Climate Agreement to Limit Global Warming	1.7
ExxonMobil Corporation	2019	1.8	Re-election of Steve Reinemund	86.4
ExxonMobil Corporation	2019	4	Require Independent Chair	40.7
ExxonMobil Corporation	2018	4	Require Independent Chair	38.7
ExxonMobil Corporation	2017	5	Require Independent Chair	38.3
ExxonMobil Corporation	2019	7	Establish Environmental/Social Issue Board Committee	7.4
ExxonMobil Corporation	2019	10	Report on Lobbying Payments and Policy	37.3
ExxonMobil Corporation	2018	7	Report on Lobbying Payments and Policy	26.2
ExxonMobil Corporation	2017	10	Report on Lobbying Payments and Policy	27.5
ExxonMobil Corporation	2019	8	Report on Risks of Petrochemical Operations in Flood Prone Areas	25
FedEx Corporation	2019	5	Report on lobbying	26
FedEx Corporation	2018	4	Report on lobbying	27
Flowserve Corporation	2019	5	Adopt GHG targets	27.5
Flowserve Corporation	2018	4	Adopt GHG targets	22.1
Fluor Corporation	2019	4	Adopt GHG targets	46.3
Fluor Corporation	2018	4	Adopt GHG targets	41.6
Fluor Corporation	2017	6	Adopt GHG targets	36.7
Ford Motor Company	2019	6	Report on Lobbying Payments and Policy	16.5
Ford Motor Company	2018	6	Report on Lobbying Payments and Policy	16.7
Ford Motor Company	2017	6	Report on Lobbying Payments and Policy	17.3

Table 11: List of resolutions included in this report continued

Company	Year	Resolution No	Resolution Text	Voting result (%)
General Motors Company	2019	5	Report on Lobbying Payments and Policy	29.5
Illinois Tool Works Inc.	2019	5	Adopt GHG targets	21.3
Illinois Tool Works Inc.	2018	5	Adopt GHG targets	24.6
Honeywell International Inc.	2019	5	Report on lobbying	42.4
Intel Corporation	2019	7	Report on lobbying	6
Morgan Stanley	2019	4	Report on lobbying	6.6
Motorola Solutions Inc.	2019	5	Report on lobbying	37.6
Motorola Solutions Inc.	2018	6	Report on lobbying	34.6
Motorola Solutions Inc.	2017	5	Report on lobbying	33.3
Origin Energy Ltd.	2018	9c	Approve Contingent Resolution - Set and Publish Interim Emissions Targets	11.8
Origin Energy Ltd.	2017	7c	Disclose transition planning	3.4
Origin Energy Ltd.	2018	9d	Approve Contingent Resolution - Public Policy Advocacy on Climate Change and Energy by Relevant Industry Associations	46.3
Pfizer Inc.	2019	6	Report on lobbying	29.8
QBE Insurance Group Ltd.	2019	7b	Approve Exposure Reduction Targets	7.8
Rio Tinto Ltd.	2019	19	Requisitioned resolution on transition planning disclosure	6
Ross Stores Inc.	2019	4	Report on GHG targets	40.9
Standard Bank Group Ltd.	2019	10.1	Report to Shareholders on the Company's Assessment of GHG Emissions Resulting from its Financing Portfolio	38.2
Standard Bank Group Ltd.	2019	10.2	Adopt and Publicly Disclose a Policy on Lending to Coal-fired Power Projects and Coal Mining Operations	55.1
Transdigm Group Inc.	2019	4	Adopt GHG targets	34.9
United Parcel Service Inc.	2019	3	Report on lobbying	20.7
United Parcel Service Inc.	2018	4	Report on lobbying	19.6
United Parcel Service Inc.	2017	5	Report on lobbying	19.7

Table 11: List of resolutions included in this report continued

Company	Year	Resolution No	Resolution Text	Voting result (%)
Walt Disney Company	2019	4	Report on lobbying	39.3
Walt Disney Company	2018	5	Report on lobbying	37.4
Walt Disney Company	2017	5	Report on lobbying	36.8
Whitehaven Coal Ltd.	2018	8	Climate risk disclosure	40.1
Whitehaven Coal Ltd.	2018	9	Strategy alignment	2.8
Yum! Brands Inc.	2019	5	Report on supply chain deforestation impacts	32.1
Yum! Brands Inc.	2017	5	Adopt Policy and Plan to Eliminate Deforestation in Supply Chain	No vote due to technical issue

Appendix II: List of asset managers

The Investment and Pensions Europe's ranking of the top 400 asset managers was used to select asset managers[lxxvii]. The asset managers included in this study met one or more of the following criteria:

5. The largest 25 asset managers based on AUM.

Insight Investments and PGIM Fixed Income were consolidated with their parent companies. Natixis Investment Managers is a holding company – we included their ESG and asset management subsidiary, Ostrum Asset Management. We also did not include Affiliated Managers Group as it uses a large number of independent managers. Finally, we did not include Legg Mason as it is a holding company.

6. The largest 20 European asset managers based on assets under management (AUM).

We included both Fidelity Management and Research (FMR) and Fidelity International. Given that they are listed as two separate entities on IPE, we have included both of them in our count of asset managers. We have only included Janus Henderson UK in our analysis.

7. The largest 4 Australian asset managers based on AUM

Lendlease and GPT were not included because they mostly focus on real estate.

8. The largest 15 asset managers based in jurisdictions outside of Europe, Australia and the US. This includes asset managers based in Brazil (2), Canada (4), China (2), Japan (5), Singapore (1), and South Africa (1).

Table 12: List of asset managers included in this study

Rank	Investor name	Asset under management (m) as of 31/12/18	Country	Member of CA100+	Member of CDP non-disclosure project	Member of IIGCC, IGCC, AIGCC, CERES' investor network on climate risk and sustainability or ShareAction's Investor Decarbonisation Initiative (IDI)	TCFD supporter	% votes in favour of climate change resolutions*
1	Blackrock	5,251,217	US	No	No	Yes – CERES, IIGCC, IGCC, AIGCC	Yes	6.67
2	Vanguard Asset Management	4,257,211	US	No	No	No	Yes	8.33
3	State Street Global Advisors	2,196,822	US	No	No	Yes - CERES	Yes	26.23
4	Fidelity Investments*	2,096,550	US	No	No	Yes - CERES	Yes	FMR: 9.26
5	BNY Mellon Investment Management[12]	1,498,208	US	No	No	No	No	19.67
6	J.P. Morgan Asset Management	1,485,998	US	No	No	Yes - IIGCC	Yes	6.67
7	Capital Group	1,467,318	US	No	No	No	No	4.88
8	PIMCO	1,451,684	US/ Germany	Yes	No	Yes – IIGCC, IGCC	Yes	78.57
9	Amundi Asset Management	1,425,064	France	Yes	Yes	Yes - IIGCC	Yes	65.57
11	Goldman Sachs Asset Management International	1,165,429	US	No	No	No	Yes	37.29
12	Legal and General Investment Management	1,131,342	UK	Yes	Yes	Yes - IIGCC	Yes	81.97
13	Wellington Management International	877,735	US	No	No	Yes - CERES	Yes	9.84
14	T. Rowe Price	841,801	US	No	No	No	No	5.26
15	Nuveen	813,009	US	No	No	Yes - CERES	No	62.30
17	Invesco	777,047	US/UK	No	No	No	Yes	34.43
18	Northern Trust Asset Management	774,416	US	Yes	No	Yes - IIGCC	No	21.31
19	AXA Investment Managers	729,815	France	Yes	No	Yes – IIGCC, AIGCC	Yes	78.69

12 Voting data attributed to BNY Mellon Investment Management relates only to U.S. mutual funds managed and advised by BNY Mellon Investment Adviser, Inc. BNY Mellon's U.S. mutual fund range accounts for less than 5% of BNY Mellon Investment Management's total global assets under management.

Table 12: List of assest managers included in this study continued

Rank	Investor name	Asset under management (m) as of 31/12/18	Country	Member of CA100+	Member of CDP non-disclosure project	Member of IIGCC, IGCC, AIGCC, CERES' investor network on climate risk and sustainability or ShareAction's Investor Decarbonisation Initiative (IDI)	TCFD supporter	% votes in favour of climate change resolutions*
20	Sumitomo Mitsui Trust Asset Management	695,799	Japan	Yes	No	Yes - CERES, AIGCC	Yes	NA
22	UBS Asset Management	681,775	Switzerland	Yes	No	Yes - IIGCC	Yes - UBS Group	90.16
23	DWS Group	662,170	Germany	Yes	No	Yes - CERES (DWS Investments), IIGCC,	Yes	73.77
27	Franklin Templeton	567,164	US	No	No	Yes - IIGCC	No	18.03
28	Aberdeen Standard Investments	562,691	UK	Yes	No	Yes - IIGCC	Yes (Standard Life Aberdeen - Insurance)	73.77
29	BNP Paribas Asset Management France	537,405	France	Yes	No	Yes - CERES, IIGCC, AIGCC	Yes - BNP Paribas (Bank)	47.54 (DNV at 49.2% of AGMs)
30	MetLife Investment Management	514,267	US	No	No	No	No	31.58
31	Allianz Global Investors	505,000	Germany	Yes	No	Yes - IIGCC, AIGCC	Yes (Allianz SE - insurance)	88.52
32	Mitsubishi UFJ Trust and Banking Corp	503,998	Japan	Yes	No	No	Yes	47.54
33	Schroder Investment Management	493,048	UK	Yes	No	No	Yes	55.74
34	APG Asset Management	462,592	Netherlands	Yes	No	Yes - IIGCC	Yes - APG Groep N.V. (pension)	72.13
38	Generali Investments	449,959	Italy	Yes	No	No	Yes - Assicurazioni Generali S.p.a (Insurance)	54.05 (DNV at 37.84 of AGMs)
42	Asset Management One International	414,925	Japan	Yes	No	No	Yes	73.77
45	Nomura Asset Management	399,800	Japan	No	No	No	Yes	55.74
46	HSBC Asset Management	398,233	UK	Yes	Yes	Yes - IIGCC	Yes - HSBC Holdings Plc (bank)	81.97
50	M&G Prudential	373,180	UK	Yes	No	Yes - IIGCC	Yes	48.33 (DNV at 43.33% of AGMs)

Table 12: List of assest managers included in this study continued

Rank	Investor name	Asset under management (m) as of 31/12/18	Country	Member of CA100+	Member of CDP non-disclosure project	Member of IIGCC, IGCC, AIGCC, CERES' investor network on climate risk and sustainability or ShareAction's Investor Decarbonisation Initiative (IDI)	TCFD supporter	% votes in favour of climate change resolutions*
52	Aviva Investors	365,970	UK	Yes	Yes	Yes - IIGCC	Yes	86.89
54	Credit Suisse Asset Management	344,363	Switzer-land	Yes	No	No	Yes - Credit Suisse Group AG (bank)	100.00 (only 3.3% of data available)
56	Union Investment	331,887	Germany	Yes	Yes	No	Yes	36.1
57	Macquarie Asset Management	327,552	Australia	No	No	Yes - CERES (Macquari infrastructure and real assets)	Yes - Macquarie Group	60
58	Manulife Asset Management	318,228	Canada	Yes	No	Yes - CERES (Manulife Investment Management)	Yes - Manulife financial corporation insurance)	73.8
59	Aegon Asset Management	315,628	Nether-lands	Yes	Yes	Yes - IIGCC, IDI	Yes (Aegon N.V., insurance)	44.3 (DNV at 54.1% of AGMs)
62	Eurizon Asset Management	302,740	Italy	No	No	No	No	14.75 (DNV at 83.6% of AGMs)
63	Janus Henderson Investors	287,318	US/UK**	Yes	No	Yes - IIGCC	Yes	US: 34.6 & UK: 61.1
64	RBC Global Asset Management	269,837	Canada	No	No	No	Yes - RBC (bank)	63.9
68	Ostrum Asset Management	257,600	France	Yes	No	Yes - IIGCC, IDI Natixis Global Asset Management - CERES	Yes	100.00 (DNV at 73.8% of AGMs)
72	Fidelity nternational	246,499	US/UK	No	No	No	Yes	55.74
79	BMO Global Asset Management	209,855	Canada	Yes	No	Yes - IIGCC	Yes	73.33
83	Caisse de dépôt et placement du Québec	198,172	Canada	Yes	No	Yes - CERES, AIGCC	Yes	76.67 (only 49.2% of data available)
89	Nikko Asset Management Europe	176,543	Japan	Yes	No	Yes - AIGCC	Yes	75.41
95	Eastspring Investments (Singapore)	168,617	Singapore	No	No	Yes - AIGCC	No	NA
99	E Fund Management	159,902	China	No	No	No	No	NA

Table 12: List of assest managers included in this study continued

Rank	Investor name	Asset under management (m) as of 31/12/18	Country	Member of CA100+	Member of CDP non-disclosure project	Member of IIGCC, IGCC, AIGCC, CERES' investor network on climate risk and sustainability or ShareAction's Investor Decarbonisation Initiative (IDI)	TCFD supporter	% votes in favour of climate change resolutions*
100	Itaú Asset Management	155,480	Brazil	No	No	No	Yes (Itau - banking)	NA
107	BRAM - Bradesco Asset Management	136,520	Brazil	No	No	No	Yes	NA
115	China Asset Management Company	128,283	China	No	No	No	Yes	NA
117	Investec Asset Management	126,031	South Africa/ UK	Yes	Yes	Yes - IIGCC	Yes	19.67 (DNV at 68.9% of AGMs)
118	First State Investments	125,751	Australia	Yes	No	Colonial First State Global AM - IGCC	No	49.18
121	AMP Capital	115,315	Australia	Yes	No	Yes – IGCC, AIGCC	No	20.00 (only 8.2% of data available)
202	QIC	52,776	Australia	No	No	Yes - IGCC	No	NA
379	Maple-Brown Abbott	8,878	Australia	No	No	No	No	NA

All of the asset managers considered in this study – or one of their close subsidiaries- are signatories to the Principles for Responsible Investment.

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ShareAction (Fairshare Educational Foundation) is a registered charity that promotes responsible investment practices by pension providers and fund managers. ShareAction believes that responsible investment helps to safeguard investments as well as securing environmental and social benefits.

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