

Voting on ESG: Ever-Widening Differences

Voting records for the largest U.S. and European managers reveal greater divergence in 2023.

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Table of Contents

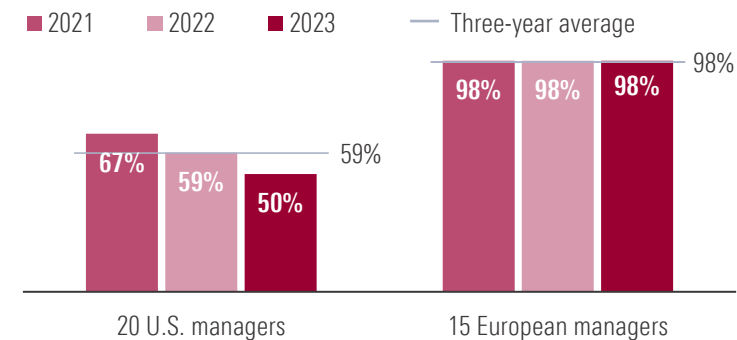
Key Takeaways	3	Growing Gaps in 2023	4	Appendix 3: Manager Voting Records, U.S.	21
		Appendix 1: Methodology	10	Appendix 4: Manager Voting Records, Europe	43
		Appendix 2: List of Key ESG Resolutions	13	Important Disclosures	61

Key Takeaways

Key ESG Resolutions: U.S.-Europe Support Gap Grows

- Independent shareholder support for key ESG resolutions¹ at U.S. companies fell below 50% for the first time in over three years in 2023.
- Our latest analysis of asset manager voting records reveals that **European peers did not mimic the falling support trends among U.S. managers.**
- Average support for key ESG resolutions in 2023 for the 20 U.S. managers is 50%, well behind the 98% average for the 15 European managers we evaluated.

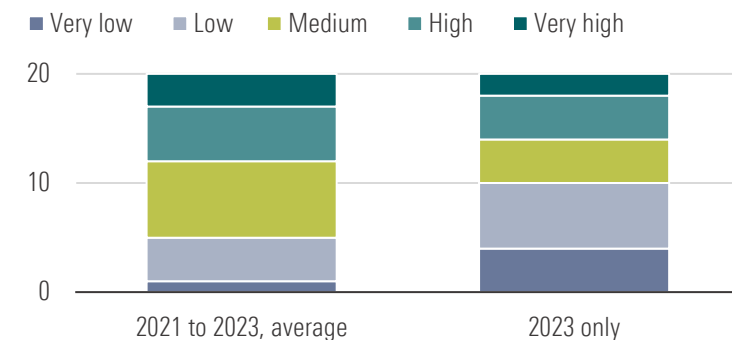
Key ESG Resolutions: Average Support Level



Ten out of 20 U.S. Managers Are Now Low Supporters

- Ten of the 20 U.S. equity fund managers showed low or very low support for key ESG resolutions in 2023, compared with just five based on average support for the last three years.
- The trend in key resolution support was negative for 12 of the 20 U.S. managers in 2023, compared with only six in 2022. **American Century, BlackRock, Capital Group, Goldman Sachs, and Janus Henderson showed the strongest negative trends.**

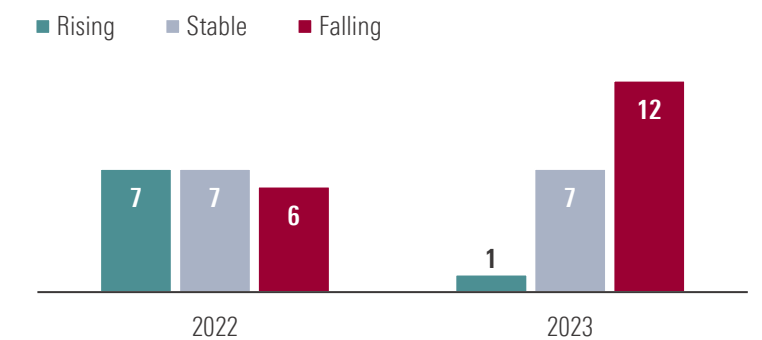
Key ESG Resolutions, Support, 20 U.S. Managers



Voting Outcomes Raise Questions on Alignment

- In contrast, all 15 of the European managers we assessed consistently show very high support for key ESG resolutions, reflecting European investors' higher sustainability intentions.
- We believe current trends in support for ESG resolutions won't change much in 2024. So, **sustainability-minded investors will continue to question whether their objectives are well-aligned with U.S. managers** who are reducing their support for key ESG resolutions.

Key ESG Resolutions: Support Trend, 20 U.S. Managers



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Chart shows data for proxy years ended June 30.

1 Key ESG resolutions are shareholder proposals on environmental and social themes with at least 40% support from independent shareholders (which we call "adjusted support"). See Appendix 1 for methodology.

Growing Gaps in 2023

The gap between U.S. and European managers voting on ESG grew in 2023, but there's also greater divergence among U.S. managers.

U.S. Managers' Falling Support for Key ESG Resolutions Contrasts Sharply With Those in Europe

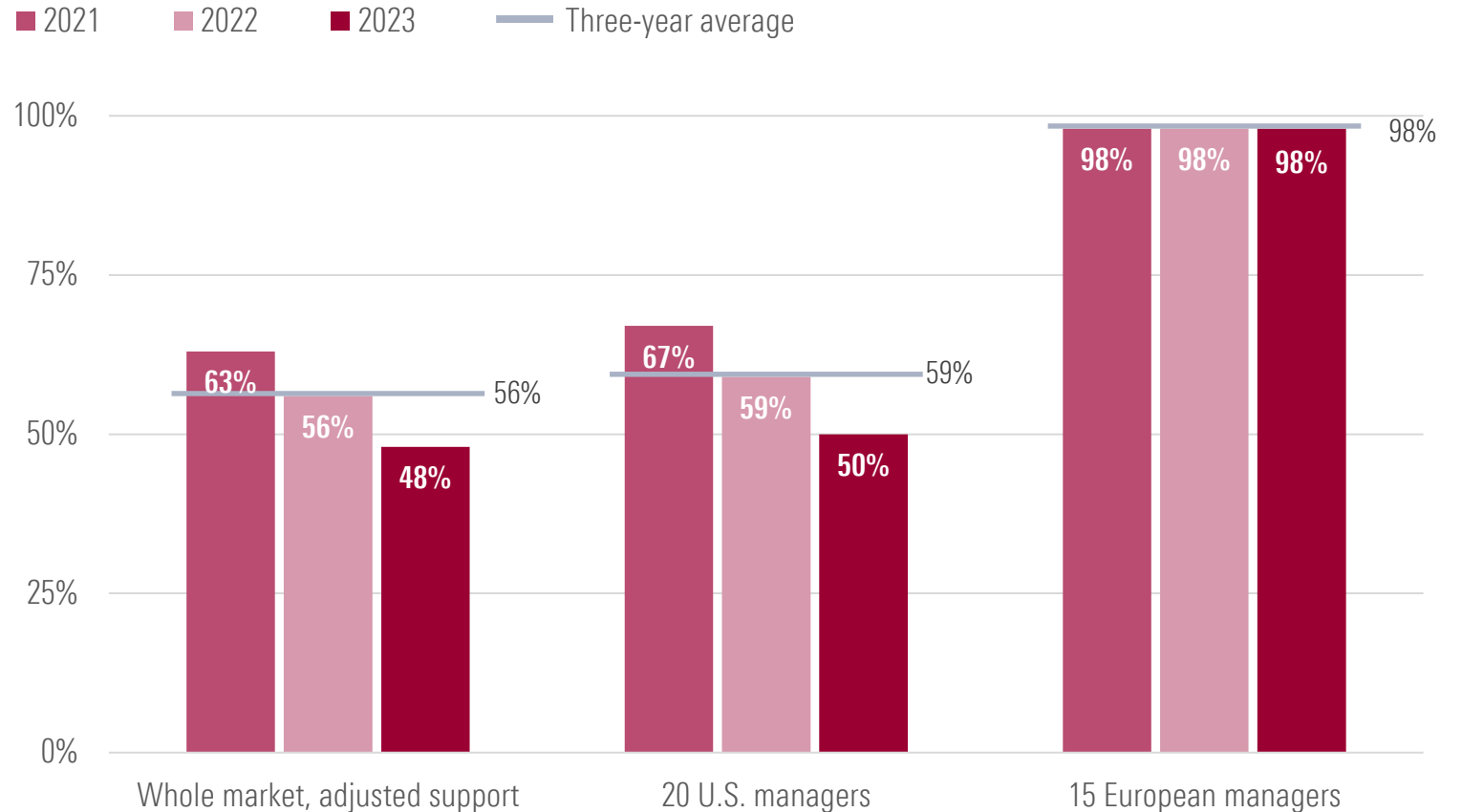
Analyzing voting records on key shareholder resolutions in the United States can give a good indication of an asset manager's stance on environmental, social, and governance topics more broadly. This is due to the prevalence of such resolutions in the U.S., addressing a wide range of topics. There were [227 key ESG resolutions](#) in the last three proxy years: 53 in 2023, 102 in 2022, and 67 in 2021.

Adjusted support for these resolutions fell below 50% for the first time in over three years in 2023, amid manager concerns that U.S. shareholder resolutions were becoming inappropriately prescriptive. Our [previous research](#) noted that the two largest voters, BlackRock and Vanguard, were instrumental in that decline. This new study indicates that many other large U.S. managers also pulled back their support for ESG proposals, even well-supported ones.

The U.S. managers' voting record stands in stark contrast to that of European managers. We examined the voting records of 15 of the largest European managers of equity funds, finding that their support for key ESG resolutions was consistently very high, averaging 98% over the last three proxy years.

Average Support for Key ESG Resolutions: U.S. and European Managers

Resolutions Voted at U.S. Companies, 2021–23 Proxy Years



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Chart shows data for proxy years ended June 30. Averages of U.S. and European managers are the equal-weighted arithmetic mean for each period.

Most of the Largest U.S. Managers Now Show Negative Trends in Support for Key ESG Resolutions in 2023

This study examines the voting record on key ESG resolutions for the [20 largest U.S.-based managers](#) of equity open-end and exchange-traded funds on a worldwide basis. According to Morningstar Direct, these managers run over USD 17 trillion of equity fund assets between them, and all are among the global top 30 managers of equity funds. The table opposite shows not only the 20 managers' percentage support for key ESG resolutions for each of the last three proxy years but also the three-year average. We observed a sharp change in the 20 managers' trends in support in the most recent year. (We assess the trend by comparing a manager's support in the most recent year to the three-year average.)

The 20 managers showed a mix of support trends in the 2022 proxy year. Seven managers showed a positive trend in support for key ESG resolutions, while six showed a negative trend. The remaining seven showed stable trends. By 2023, most of these managers showed a falling trend in support. Only one, Charles Schwab, maintained its positive support trend. Twelve firms turned negative in 2023, three of which showed a positive trend the year before: American Century, BlackRock, and Capital Group.

Support for Key ESG Resolutions: 20 U.S. Managers

Resolutions Voted at U.S. Companies, 2021–23 Proxy Years

Manager	Support for key ESG resolutions, %			Average, 2021–2023	Trend, 2022	Trend, 2023
	2021	2022	2023			
American Century	92%	84%	38%	76%	▲	▽
BlackRock (incl. iShares)	68%	48%	37%	51%	▲	▽
Capital Group (incl. American Funds)	68%	66%	30%	58%	▲	▽
Charles Schwab	65%	78%	80%	75%	▲	▲
Columbia Threadneedle	93%	87%	95%	91%	–	–
Dimensional	17%	17%	12%	16%	–	–
Dodge & Cox	37%	21%	17%	23%	–	▽
Fidelity	51%	26%	24%	32%	▽	▽
Franklin Templeton	67%	82%	81%	77%	▲	–
Goldman Sachs	69%	58%	22%	53%	▽	▽
Invesco	75%	90%	86%	84%	▲	–
Jackson National	67%	58%	47%	57%	–	▽
Janus Henderson	67%	51%	38%	53%	▽	▽
JPMorgan	70%	58%	51%	61%	–	▽
MFS	95%	90%	90%	91%	–	–
Morgan Stanley	92%	94%	94%	94%	▲	–
Nuveen/TIAA	85%	69%	67%	74%	▽	▽
State Street	72%	59%	66%	65%	–	–
T. Rowe Price	46%	24%	14%	28%	▽	▽
Vanguard	51%	22%	9%	28%	▽	▽

Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Chart shows data for proxy years ended June 30. Support trends are shown as rising (▲) if support in the most recent proxy year is more than 5 percentage points above the three-year average, falling (▽) if it is more than 5 percentage points below, and stable (–) otherwise.

Large European Managers Consistently Show Very High Support for Key ESG Resolutions

For comparison, we have also assessed the voting record on key ESG resolutions for [15 of the largest European managers](#). According to Morningstar Direct, these managers run close to USD 2 trillion of equity open-end and exchange-traded funds, with all but one in the global top 50. All 15 managers show average support for key ESG resolutions above 90%, both in 2023 alone and over the last three years. Among these, only Pictet displays a falling trend in support, but the firm still maintained a 91% level of support for key ESG resolutions in 2023.

The data also includes Norges Bank Investment Management, the Norwegian sovereign wealth fund manager. Although NBIM doesn't manage any open-end funds or ETFs, it is the largest European shareholder of U.S. equities and frequently a top-10 shareholder at U.S. companies. This makes it an important contributor to overall voting outcomes on key ESG resolutions. NBIM supported 84% of key ESG resolutions over the last three years—high, but slightly lower than the European managers. However, because of a recent change in its policy, NBIM's support for environmental key resolutions increased to 100% in 2023.

Support for Key ESG Resolutions: 15 European Managers and NBIM

Resolutions Voted at U.S. Companies, 2021–23 Proxy Years

Manager	Support for key ESG resolutions, %			Average, 2021–2023	Trend, 2022	Trend, 2023
	2021	2022	2023			
Allianz GI	100%	99%	96%	98%	–	–
Amundi	100%	99%	100%	100%	–	–
Aviva Investors	98%	98%	100%	98%	–	–
BNP Paribas	100%	100%	100%	100%	–	–
Credit Suisse	100%	99%	100%	100%	–	–
DWS (incl. Xtrackers)	100%	100%	100%	100%	–	–
Fidelity International	87%	94%	94%	91%	–	–
HSBC	100%	99%	100%	100%	–	–
LGIM	100%	98%	100%	99%	–	–
Nordea	100%	99%	100%	99%	–	–
NBIM	84%	85%	84%	84%	–	–
Pictet	100%	99%	91%	98%	–	▽
Robeco	100%	100%	100%	100%	–	–
Schroders	97%	98%	96%	97%	–	–
Swedbank	89%	96%	100%	96%	–	–
UBS	100%	97%	100%	99%	–	–

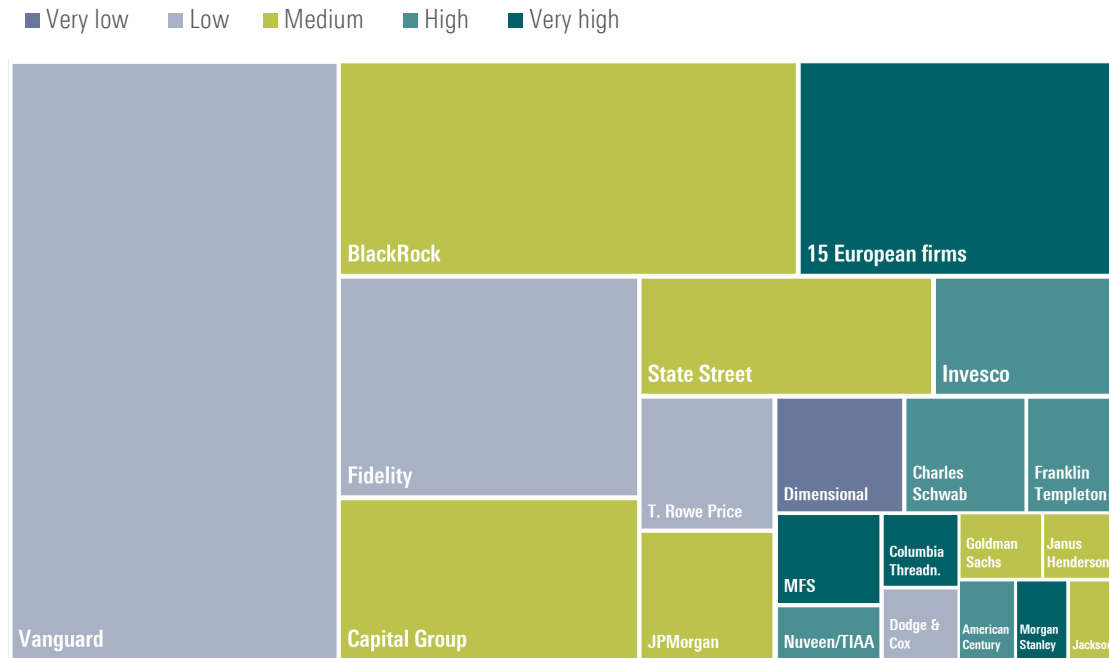
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Chart shows data for proxy years ended June 30. Support trends are shown as rising (▲) if support in the most recent proxy year is more than 5 percentage points above the three-year average, falling (▽) if it is more than 5 percentage points below, and stable (–) otherwise.

Vanguard, BlackRock, Capital Group, and T. Rowe Price Are the Largest U.S. Managers With Declining Support

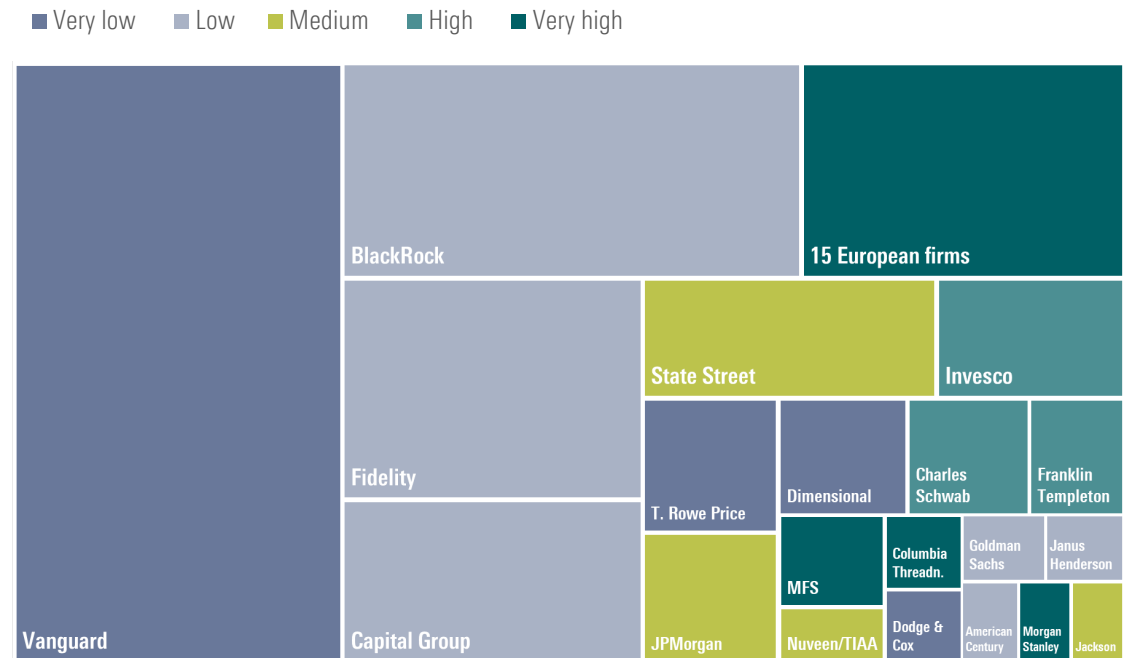
The graphics below visually represent the changes in voting trends. The graphic on the left shows the 35 firms' average support for key ESG resolutions over the last three years; the chart on the right shows the same data for the 2023 proxy year. The block sizes represent equity fund assets for each firm as of Nov. 30, 2023. A much higher proportion of the equity fund capital at the U.S. managers now shows Low (<40%) or

Very Low (<20%) support for key resolutions— three-year view, rising to 78% on a one-year view. Vanguard, BlackRock, Capital Group, and T. Rowe Price are the largest firms with a clear decline in support in 2023. Vanguard and T. Rowe Price moved to Very Low from the Low support category. BlackRock and Capital fell to Low from Medium. The 15 European firms, grouped together on the chart, show constant, very high support.

Average Support for Key ESG Resolutions, 2021–23 Proxy Years



Support for Key ESG Resolutions, 2023 Proxy Year



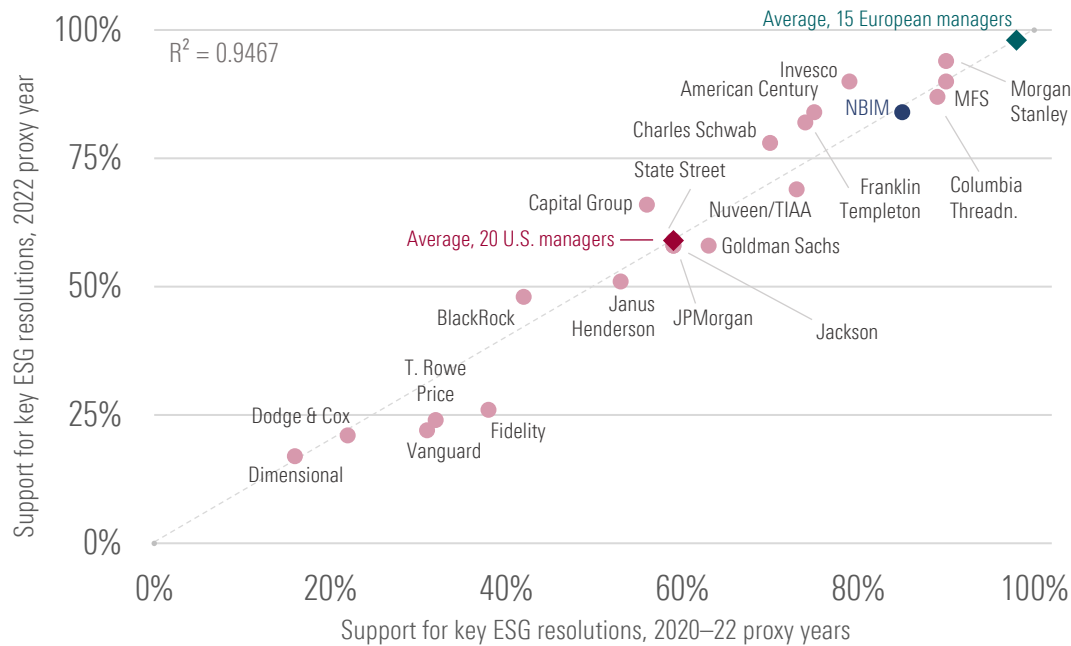
Source: Morningstar Direct, Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured for proxy years ended June 30. Block sizes represent worldwide open-end and exchange-traded equity fund assets as of Nov. 30, 2023. See Appendixes 1, 3, and 4 for further information.

U.S. Managers' Historic Voting Trends Became a Less Reliable Guide to More Recent Decisions

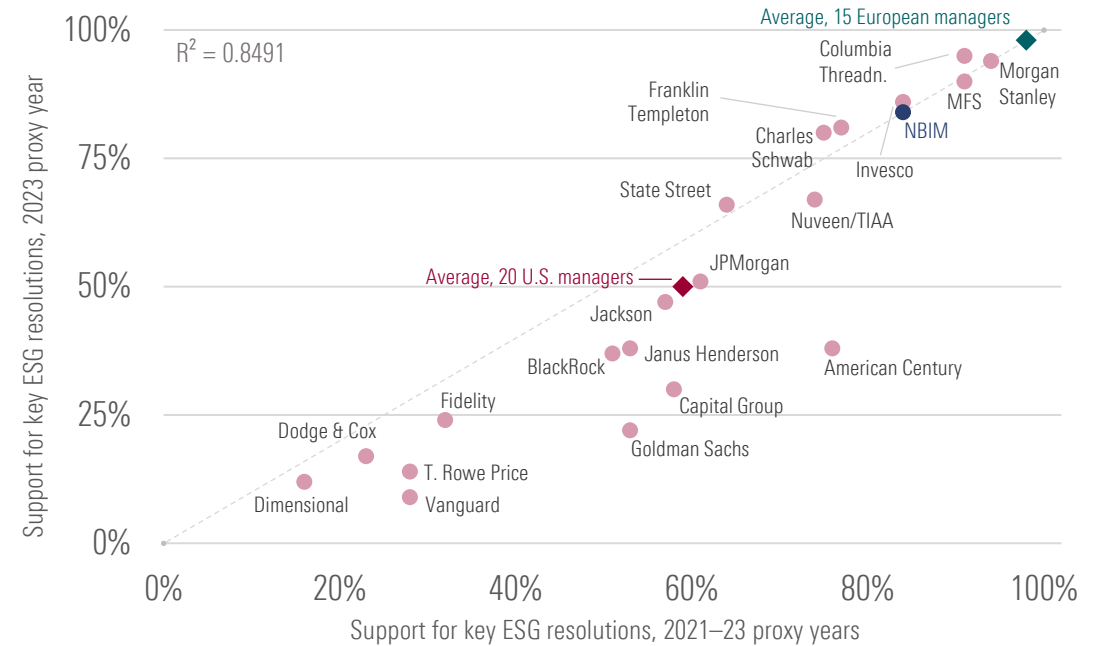
Plotting this information on a scatter chart shows that the U.S. firms' ESG voting trends aren't only diverging from European managers—they're diverging from each other, too. The charts plot support for key ESG resolutions in the most recent proxy year (vertical axis) against the three-year average (horizontal axis), both in 2022 and 2023. Firms with a declining support trend appear below the dotted line (on which both values are equal).

American Century showed the steepest trend decline. Goldman Sachs, Capital Group, BlackRock, and Janus Henderson also showed significant falls. We see that voting patterns in 2023 are more dislocated compared with recent history and between different firms. (The steep fall in the R² value illustrates this.) However, we think this is likely to be temporary, as the U.S. firms look set to maintain their current voting trends.

Support for Key Resolutions: One- vs. Three-Year Average, 2022 Proxy Year



Support for Key Resolutions: One- vs. Three-Year Average, 2023 Proxy Year



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured for proxy years ended June 30. Support levels are calculated at fund level for U.S. managers and at firm level for European managers. See Appendix 1 for further information. The European firms' average includes an estimate for the 2020 proxy year based on managers' public disclosures.

Appendix 1: Methodology

Our methods for identifying key ESG resolutions and for assessing support levels for U.S. and European managers.

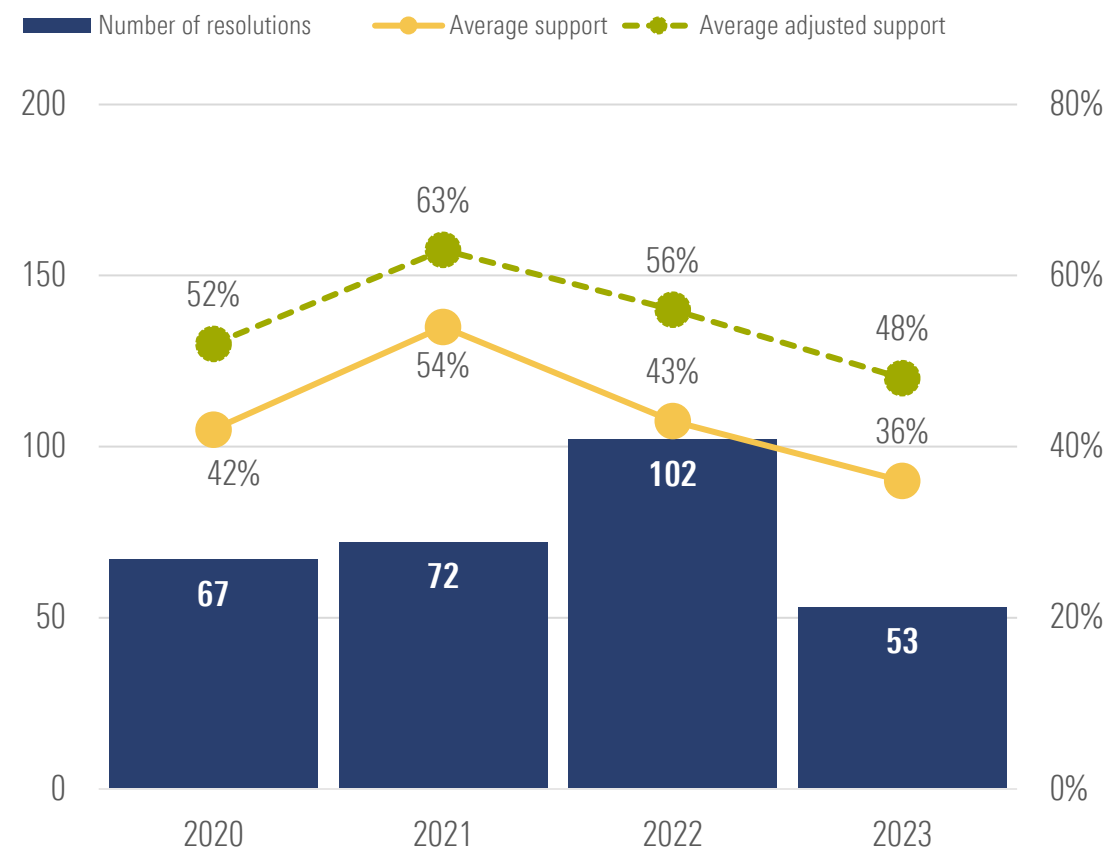
Identifying Key ESG Resolutions

When analyzing U.S. shareholder resolutions at Morningstar, we identify as key resolutions those proposals that address environmental and social topics and gain more than 40% adjusted support—that is, support for the proposal from shareholders who are independent of the company and its management. Because only well-supported resolutions are included in the key resolution analysis, it gives a better idea of the environmental and social themes on which investment managers are prepared to take a stand. Adjusted support calculations exclude votes attributable to shareholdings of management, founders, and strategic investors who are unlikely to defy board recommendations by supporting shareholder resolutions. For example, the adjusted support calculation for the shareholder resolutions at Amazon.com would exclude the votes attributable to Jeff Bezos' shareholding. Calculating adjusted support in this way gives a better idea of the level of independent shareholders' backing for shareholder resolutions, which is often considerably higher than the headline support figure, as the chart opposite shows.

In collaboration with Morningstar Sustainalytics' ESG Voting Policy Overlay service, we identified [294 key ESG resolutions](#) in the last four proxy years. From the 2022 proxy year onward, we have excluded well-supported resolutions that are unopposed by the respective companies' boards (that is, those where the board either recommends voting "For" a shareholder resolution or does not issue a recommendation). This is because, in the absence of board opposition, these resolutions frequently achieve support levels of over 90%, which artificially inflates the average. There were eight such resolutions in the 2022 proxy year and two in 2023. For consistency with prior analysis, two such resolutions in the 2021 proxy year remain included. There were none in the 2020 proxy year.

Key ESG Resolutions: Volume and Average Support

Resolutions Voted at U.S. Companies, 2020–23 Proxy Years



Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay service. Data as of Jan. 2, 2024. Note: Chart shows data for proxy years ended June 30.

Identifying Key ESG Resolutions (cont.)

In 2023, the number of key ESG resolutions practically halved to 53 from 102, as managers pushed back on what they saw as increasingly prescriptive or redundant resolutions, or those that they felt addressed matters not material to shareholders. In the 2020 and 2021 proxy years, the number of key resolutions held relatively steady at around 70.

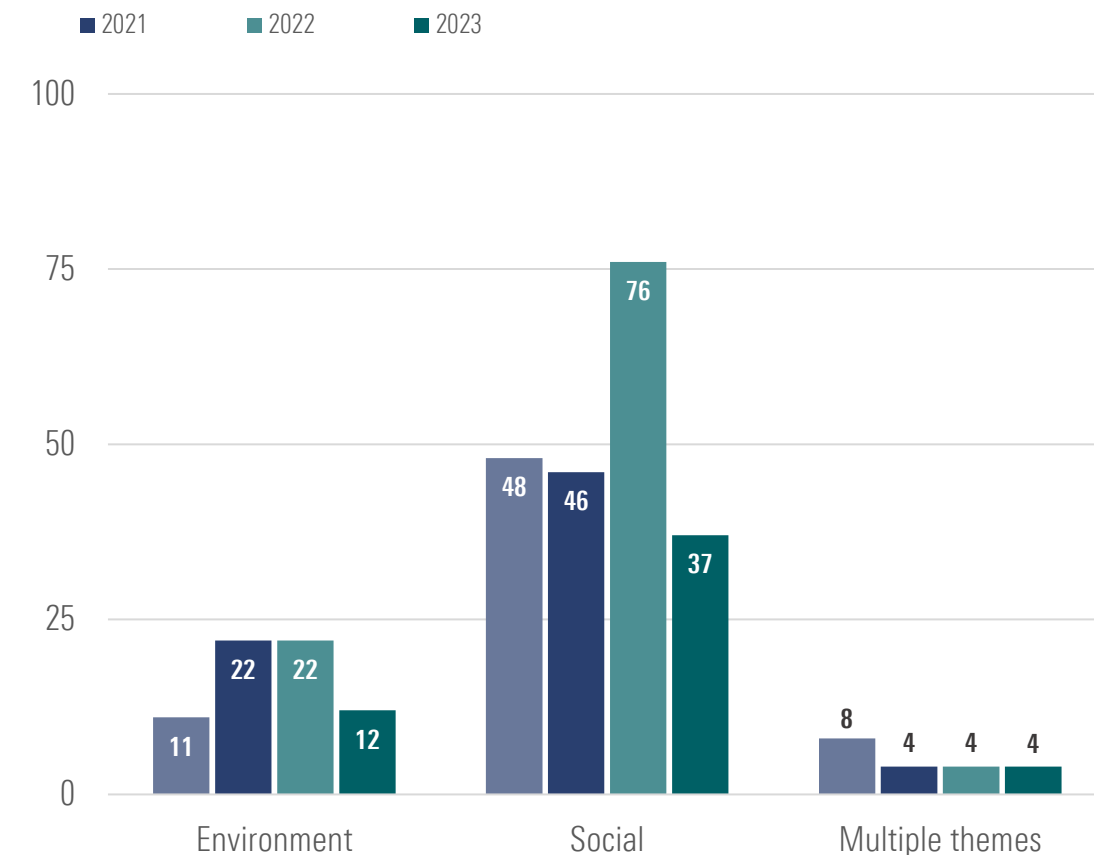
Over the last four proxy years, the proportion of key resolutions addressing social issues held steady at around 70%. Proposals on political activity and on workplace fairness and safety have tended to dominate this theme. The minority of proposals addressing environmental themes usually focus on climate change, with a very small number targeting broader nature-related risks or circular economy themes.

As the chart opposite shows, a small number of resolutions span multiple themes—often a combination of environmental or social issues along with governance or broader ethical matters. Examples include proposals targeting board diversity, board independence issues, and livestock welfare. We identified four of these in the last three proxy years and eight in the 2020 proxy year.

A full list of the 294 key ESG resolutions we identified in the four proxy years to 2023 can be found in Appendix 2. Our standard practice for evaluating manager support trends for key ESG resolutions is to assess support levels over the most recent proxy year and the average for the last three proxy years. The manager voting records in Appendixes 3 and 4 use this approach.

Key ESG Resolutions: Number of Resolutions by Theme

Resolutions Voted at U.S. Companies, 2020–23 Proxy Years



Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024. Note: Chart shows data for proxy years ended June 30.

Assessing Manager Voting Records on Key ESG Resolutions

For the U.S. asset managers in this study, we have analyzed voting data from Morningstar’s proxy-voting database, sourced from SEC form NP-X filings. For these firms, support for key ESG resolutions is calculated using fund-level data. If a firm casts 1,000 fund votes on key resolutions during a particular period and 450 of those votes are “For” those resolutions, then that firm’s overall support level for the period is 45%.

An alternative method is to calculate support at the firm level. To do this, we assess what the firm’s majority voting decision is for each key resolution. For example, if a firm casts 20 fund votes on a particular resolution and 12 of those votes are “Against” the resolution, then the majority voting decision is “Against.” Under this majority-vote method, the firm-level support is equal to the percentage of key resolutions during the period where the firm’s majority voting decision is “For.” (When a manager’s votes on a resolution are evenly split, we split the support for that resolution equally between “For” and “Against.”)

Most firms do not frequently make split voting decisions like the example mentioned above, so fund-level support and firm-level support tend to be very similar. However, for firms that have made a significant number of relatively evenly split voting decisions over the three-year analysis period (such as Capital Group, Janus Henderson, and Franklin Templeton), we have observed that results obtained by the two methods can differ by single-digit percentage points.

The vote coverage ratio indicates what percentage of the total number of key resolutions a manager voted on during a period. Managers that run U.S. passive equity index funds

Descriptions of Support for Key ESG Resolutions

Resolutions Voted at U.S. Companies, 2020–23 Proxy Years



Source: Morningstar Manager Research.

(or otherwise well-diversified U.S. strategies) tend to have vote coverage ratios close to 100%. Firms with higher-conviction active strategies or with lower exposure to U.S. equities have lower vote coverage. If a firm’s vote coverage ratio for a period is exceptionally low (less than 10%), it may not be appropriate to compare with others.

There are no mandatory, comprehensive fund-level voting disclosures for European asset managers. However, voluntary firm-level disclosures are becoming common—we have used those for this study. As a result, support calculations for most of the European managers in this study use the majority-vote method. (There is one exception: We have used the firm’s NP-X disclosures in the U.S. to calculate DWS’ support.)

Throughout the study, we have used the terms in the graphic above to describe the firms’ level of support. Over the four years we have been assessing them, the average level of adjusted support for the 294 key ESG resolutions we have identified stands at 56%. As a result, a Medium level of support at 40% to 70% appears appropriate.

Appendix 2: List of Key ESG Resolutions

Full list of 294 key resolutions on environmental or social themes, or a combination of multiple themes, identified in the 2020–23 proxy years.

APPENDIX 2: LIST OF KEY ESG RESOLUTIONS

Key ESG Resolutions, 2020–23 Proxy Years

Key ESG Resolutions, 2020 Proxy Year

1-30: Activision Blizzard to Ford Motor

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Activision Blizzard, 2020	Social	4. Political Spending Disclosure	59%	59%
Alaska Air Group, 2020	Social	4. Political Spending Disclosure	42%	42%
Alaska Air Group, 2020	Social	5. Lobbying Activities Report	52%	52%
Alphabet, 2020	Social	6. Mandatory Arbitration of Employment-Related Claims	16%	51%
Alphabet, 2020	Social	7. Human Rights Risk Oversight Committee	16%	52%
Amazon.com, 2020	Multi.	5. Report on Food Waste	32%	40%
Amazon.com, 2020	Social	6. Customer Use of Surveillance Technologies	32%	40%
Amazon.com, 2020	Social	7. Facial Recognition Technology and Human Rights	32%	40%
Amazon.com, 2020	Social	8. Hate Speech and Offensive Products	35%	44%
Apple, 2020	Social	6. Policies on Freedom of Expression	41%	45%
Boeing Co, 2020	Multi.	6. Independent Board Chair	53%	53%
Centene, 2020	Social	5. Political Spending Disclosure	51%	51%
Charles Schwab, 2020	Social	6. EEO-1 Reporting	43%	49%
Chemed, 2020	Social	4. Political Spending Disclosure	48%	48%
Chevron, 2020	Envir.	6. Lobbying Aligned With Paris Climate Agreement	53%	53%
Chevron, 2020	Envir.	7. Petrochemical Investment Risk Report	46%	46%
Chipotle Mex. Grill, 2020	Social	6. Mandatory Arbitration of Employment-Related Claims	51%	51%
Comcast, 2020	Social	6. Lobbying Activities Report	26%	44%
CorVel, 2019	Social	3. Sexual Orientation and Gender Identity in EEO Policy	37%	91%
Delta Air Lines, 2020	Envir.	5. Lobbying Aligned With Paris Climate Agreement	46%	46%
Delta Air Lines, 2020	Social	6. Political Spending Disclosure	46%	46%
Dollar Tree, 2020	Envir.	4. Greenhouse Gas Emissions Targets	74%	74%
Dominion Energy, 2020	Multi.	4. Independent Board Chair	47%	47%
Duke Energy, 2020	Multi.	4. Independent Board Chair	40%	40%
Duke Energy, 2020	Social	7. Lobbying Activities Report	42%	42%
Enphase Energy, 2020	Multi.	4. Sustainability Report	52%	52%
Expeditors Int'l of Wash., 2020	Multi.	5. Senior Management Diversity	53%	53%
Fastenal, 2020	Social	4. Workforce Diversity and Inclusion	61%	61%
Fiserv, 2020	Social	4. Political Spending Disclosure	45%	45%
Ford Motor, 2020	Social	5. Lobbying Activities Report	20%	48%

Key ESG Resolutions, 2020 Proxy Year (cont.)

31-60: Fortinet to TJX Companies

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Fortinet, 2020	Social	5. Workforce Diversity and Inclusion	70%	70%
Genuine Parts, 2020	Social	4. Workforce Diversity and Inclusion	79%	79%
GEO Group, 2020	Social	4. Lobbying Activities Report	43%	43%
Honeywell Int'l, 2020	Social	5. Lobbying Activities Report	46%	46%
Illumina, 2020	Social	4. Political Spending Disclosure	50%	50%
IPG Photonics, 2020	Multi.	4. Senior Management Diversity	45%	45%
JB Hunt Transport, 2020	Social	4. Political Spending Disclosure	53%	55%
JB Hunt Transport, 2020	Envir.	5. Report on Climate Change Initiatives	54%	57%
Johnson & Johnson, 2020	Social	6. Report on Governance of Opioids-Related Risks	61%	61%
JPMorgan Chase, 2020	Envir.	6. Lending Aligned With Paris Climate Agreement	50%	50%
Kroger, 2020	Social	5. Human Rights Due Diligence	45%	45%
Lear, 2020	Social	4. Human Rights Impact Assessment	45%	45%
Maximus, 2020	Social	5. Lobbying Activities Report	43%	44%
McKesson, 2019	Social	4. Lobbying Activities Report	46%	46%
Meta Platforms, 2020	Social	7. Political Advertising Standards	13%	42%
Meta Platforms, 2020	Social	10. Online Child Exploitation	13%	43%
Microchip Technology, 2019	Social	5. Recruitment and Forced Labor Risk to Workers	51%	51%
Motorola Solutions, 2020	Social	4. Political Spending Disclosure	48%	48%
National Healthcare, 2020	Multi.	4. Report on Board Diversity	59%	59%
Netflix, 2020	Social	5. Political Spending Disclosure	42%	42%
Oracle, 2019	Social	4. Gender Pay Equity Report	36%	67%
O'Reilly Automotive, 2020	Social	6. Workforce Diversity and Inclusion	66%	66%
Ovintiv, 2020	Envir.	4. Report on Climate Risk Management	56%	56%
Phillips 66, 2020	Envir.	4. Petrochemical Investment Risk Report	55%	55%
Pilgrim's Pride, 2020	Envir.	5. Report on Reduction of Water Pollution	15%	88%
Pilgrim's Pride, 2020	Social	6. Human Rights Due Diligence	13%	74%
Sanderson Farms, 2020	Social	7. Human Rights Due Diligence	37%	40%
Santander Consumer USA, 2020	Social	3. Equal Credit Opportunity	12%	69%
Skechers USA, 2020	Social	2. Adopt a Human Rights Policy	18%	58%
TJX Companies, 2020	Social	4. Report on Reducing Chemical Footprint	45%	45%

Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024.

APPENDIX 2: LIST OF KEY ESG RESOLUTIONS

Key ESG Resolutions, 2020–23 Proxy Years (cont.)

Key ESG Resolutions, 2020 Proxy Year (cont.)

61-67: TransDigm to Western Union

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
TransDigm Group, 2020	Envir.	4. Greenhouse Gas Emissions Targets	45%	45%
Tyson Foods, 2020	Social	5. Lobbying Activities Report	15%	61%
Tyson Foods, 2020	Social	6. Human Rights Due Diligence	15%	60%
Verizon Communications, 2020	Social	6. Lobbying Activities Report	47%	47%
Vertex Pharmaceuticals, 2020	Social	4. Lobbying Activities Report	49%	49%
Walmart, 2020	Envir.	5. Report on Impacts of Single-Use Plastic Bags	17%	43%
Western Union, 2020	Social	4. Political Spending Disclosure	53%	53%

Key ESG Resolutions, 2021 Proxy Year

1-30: Aecom to Duke Energy

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Aecom, 2021	Social	4. Lobbying Activities Report	55%	55%
Amazon.com, 2021	Social	4. Customer Use of Surveillance Technologies	35%	44%
Amazon.com, 2021	Envir.	8. Report on Packaging Materials	36%	44%
Amazon.com, 2021	Social	9. Civil Rights, Equity, Diversity, Inclusion Audit	44%	55%
Amazon.com, 2021	Social	13. Lobbying Activities Report	35%	43%
Amazon.com, 2021	Social	14. Facial Recognition Technology and Human Rights	34%	43%
American Express, 2021	Social	5. Report on Diversity and Inclusion Efforts	60%	60%
Badger Meter, 2021	Social	5. Report on Increasing Board Diversity	85%	85%
Berkshire Hathaway, 2021	Envir.	2. Report on Climate Risk Management	28%	57%
Berkshire Hathaway, 2021	Social	3. Diversity, Equity and Inclusion Reports	27%	55%
Biogen, 2021	Social	5. Lobbying Activities Report	41%	41%
Bloomin Brands, 2021	Envir.	6. Report on Climate Change Initiatives	76%	76%
Booking Holdings, 2021	Envir.	7. Annual Climate Transition Report	56%	56%
Bunge, 2021	Envir.	5. Report on Soy Supply Chain	99%	99%
Caterpillar, 2021	Envir.	4. Report on Climate Policy	48%	48%
Charles Schwab, 2021	Social	4. Lobbying Activities Report	44%	48%
Charter Communications, 2021	Social	3. Lobbying Activities Report	36%	53%
Charter Communications, 2021	Social	5. Report on Diversity and Inclusion Efforts	41%	60%
Charter Communications, 2021	Envir.	6. Disclosure of Greenhouse Gas Emissions	39%	58%
Charter Communications, 2021	Social	7. EEO-1 Reporting	41%	59%
Chemed, 2021	Social	4. Political Spending Disclosure	80%	80%
Chevron, 2021	Envir.	4. Reduce Scope 3 Greenhouse Gas Emissions	61%	61%
Chevron, 2021	Envir.	5. Report on Impacts of Net Zero 2050 Scenario	48%	48%
Chevron, 2021	Social	7. Lobbying Activities Report	48%	48%
Cintas, 2020	Social	4. Political Spending Disclosure	42%	52%
ConocoPhillips, 2021	Envir.	5. Emission Reduction Targets	59%	59%
DaVita, 2021	Social	4. Political Spending Disclosure	34%	58%
Delta Air Lines, 2021	Envir.	5. Report on Climate-Related Lobbying Activities	63%	63%
Dominion Energy, 2021	Multi.	5. Independent Board Chair	43%	43%
Duke Energy, 2021	Social	6. Political Spending Disclosure	52%	52%

Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024.

APPENDIX 2: LIST OF KEY ESG RESOLUTIONS

Key ESG Resolutions, 2020–23 Proxy Years (cont.)

Key ESG Resolutions, 2021 Proxy Year (cont.)

31-60: DuPont de Nemours to Procter & Gamble

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
DuPont de Nemours, 2021	Social	6. EEO-1 Reporting	84%	84%
DuPont de Nemours, 2021	Envir.	7. Annual Report on Plastic Pollution	81%	81%
Eli Lilly and Co, 2021	Social	6. Lobbying Activities Report	48%	56%
Expedia Group, 2021	Social	4. Political Spending Disclosure	37%	59%
Exxon Mobil, 2021	Envir.	6. Report on IEA Net Zero 2050 Scenario Analysis	49%	49%
Exxon Mobil, 2021	Social	9. Lobbying Activities Report	56%	56%
Exxon Mobil, 2021	Envir.	10. Report on Climate-Related Lobbying Activities	64%	64%
First Community Bank., 2021	Multi.	4. Board Diversity	71%	71%
First Solar, 2021	Multi.	3. Racial and Ethnic Diversity Report (Board)	91%	91%
Flowers Foods, 2021	Social	4. Political Spending Disclosure	38%	42%
General Electric, 2021	Envir.	3. Report on Net Zero Indicator	98%	98%
GEO Group, 2021	Social	6. Lobbying Activities Report	66%	66%
Goldman Sachs Group, 2021	Social	6. Mandatory Arbitration of Employment-Related Claims	53%	53%
IBM, 2021	Social	6. Annual Report on Diversity, Equity and Inclusion	94%	94%
JPMorgan Chase, 2021	Social	6. Racial Equity Audit	41%	41%
Kroger, 2021	Envir.	4. Recyclability of Packaging	46%	46%
Lyft, 2021	Social	4. Lobbying Activities Report	40%	86%
McKesson, 2020	Social	5. Lobbying Activities Report	52%	52%
Meta Platforms, 2021	Social	6. Online Child Exploitation	17%	56%
Meta Platforms, 2021	Social	8. Platform Misuse/Misinformation	20%	63%
Netflix, 2021	Social	4. Political Spending Disclosure	81%	81%
Norfolk Southern, 2021	Envir.	5. Report on Climate-Related Lobbying Activities	76%	76%
Omnicom Group, 2021	Social	5. Political Spending Disclosure	51%	51%
Oracle, 2020	Social	5. Pay Equity Report	46%	88%
PayCom Software, 2021	Multi.	4. Diversity in Executive Leadership	94%	94%
Pfizer, 2021	Social	5. Political Spending Disclosure	47%	47%
Phillips 66, 2021	Envir.	5. Greenhouse Gas Emissions Targets	80%	80%
Phillips 66, 2021	Envir.	6. Report on Climate-Related Lobbying Activities	62%	62%
Pilgrim's Pride, 2021	Envir.	6. Report on Reduction of Water Pollution	11%	75%
Procter & Gamble, 2020	Envir.	5. Report on Efforts to Eliminate Deforestation	68%	68%

Key ESG Resolutions, 2021 Proxy Year (cont.)

61-72: Royal Caribbean to XPO Logistics

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Royal Caribbean, 2021	Social	5. Political Spending Disclosure	53%	53%
Sunrun, 2021	Social	4. Mandatory Arbitration of Employment-Related Claims	59%	59%
Tesla, 2020	Social	6. Mandatory Arbitration of Employment-Related Claims	27%	44%
Tyson Foods, 2021	Social	4. Human Rights Due Diligence	18%	80%
Tyson Foods, 2021	Social	6. Lobbying Activities Report	18%	81%
Union Pacific, 2021	Social	6. EEO-1 Report Disclosure	86%	86%
Union Pacific, 2021	Social	7. Annual Reporting on Diversity and Inclusion Efforts	81%	81%
United Airlines, 2021	Social	7. Political Spending Disclosure	68%	68%
United Airlines, 2021	Envir.	8. Report on Climate-Related Lobbying Activities	65%	65%
Walmart, 2021	Social	5. Lobbying Activities Report	22%	54%
Wendy's, 2021	Social	4. Report on Protection of Workers in the Supply Chain	95%	95%
XPO Logistics, 2021	Social	4. Political Spending Disclosure	46%	58%

Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024.

APPENDIX 2: LIST OF KEY ESG RESOLUTIONS

Key ESG Resolutions, 2020–23 Proxy Years (cont.)

Key ESG Resolutions, 2022 Proxy Year

1-30: Activision Blizzard to Charter Communications

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Activision Blizzard, 2022	Social	5. Prevention of Abuse, Harassment and Discrimination	67%	67%
Alphabet, 2022	Social	5. Lobbying Activities Report	19%	52%
Alphabet, 2022	Envir.	6. Report on Climate-Related Lobbying Activities	19%	53%
Alphabet, 2022	Envir.	7. Report on Climate Risk Management	18%	48%
Alphabet, 2022	Envir.	8. Report on Water Management Risks	23%	62%
Alphabet, 2022	Social	9. Racial Equity Audit	22%	61%
Alphabet, 2022	Social	13. Human Rights Assessment of Data Center Siting	17%	46%
Alphabet, 2022	Social	15. Algorithm Disclosures	20%	53%
Alphabet, 2022	Social	16. Misinformation and Disinformation	23%	63%
Altria Group, 2022	Social	4. Civil Rights Audit	62%	62%
Amazon.com, 2022	Social	6. Customer Use of Surveillance Technologies	40%	49%
Amazon.com, 2022	Envir.	8. Report on Packaging Materials	49%	59%
Amazon.com, 2022	Social	13. Reporting on Freedom of Association	39%	47%
Amazon.com, 2022	Social	14. Lobbying Activities Report	47%	57%
Amazon.com, 2022	Social	16. Report on Warehouse Working Conditions	44%	53%
Amazon.com, 2022	Social	19. Facial Recognition Technology and Human Rights	41%	49%
American Water Works, 2022	Social	5. Racial Equity Audit	48%	48%
Apple, 2022	Social	9. Civil Rights Audit	54%	59%
Apple, 2022	Social	10. Report on Concealment Clauses	50%	55%
AT&T, 2022	Social	6. Report on Congruence of Political Spending	44%	44%
AutoZone, 2021	Envir.	4. Climate Transition Planning	70%	70%
Berkshire Hathaway, 2022	Envir.	3. Report on Climate Risk Management	27%	50%
Berkshire Hathaway, 2022	Envir.	4. Report on Greenhouse Gas Emissions Reduction Initiatives	27%	50%
Berkshire Hathaway, 2022	Social	5. Diversity, Equity and Inclusion Reports	26%	49%
Boeing, 2022	Social	5. Lobbying Activities Report	41%	41%
Caterpillar, 2022	Social	5. Lobbying Activities Report	45%	45%
Charter Communications, 2022	Social	3. Lobbying Activities Report	39%	56%
Charter Communications, 2022	Social	5. Report on Congruence of Political Spending	30%	43%
Charter Communications, 2022	Envir.	6. Disclosure of Greenhouse Gas Emissions	37%	54%
Charter Communications, 2022	Social	7. EEO-1 Reporting	45%	65%

Key ESG Resolutions, 2022 Proxy Year (cont.)

31-60: Charter Communications to Johnson & Johnson

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Charter Communications, 2022	Social	8. Diversity, Equity and Inclusion Reports	45%	64%
Chevron, 2022	Social	9. Racial Equity Audit	47%	47%
Chubb, 2022	Envir.	14. Disclosure of Greenhouse Gas Emissions	72%	72%
Cigna, 2022	Social	6. Report on Congruence of Political Spending	46%	46%
ConocoPhillips, 2022	Envir.	7. Greenhouse Gas Emissions Targets	42%	42%
Costco Wholesale, 2022	Envir.	5. Greenhouse Gas Emissions Targets	70%	70%
DaVita, 2022	Social	4. Political Spending Disclosure	24%	45%
Digital Realty Trust, 2022	Social	4. Report on Concealment Clauses	46%	46%
DISH Network, 2022	Social	3. Political Spending Disclosure	4%	46%
Dollar General, 2022	Social	4. Political Spending Disclosure	57%	57%
Dollar Tree, 2022	Envir.	5. Climate Transition Planning	55%	55%
Elevance Health, 2022	Social	6. Racial Equity Audit	41%	41%
Eli Lilly and Co, 2022	Social	8. Lobbying Activities Report	37%	43%
Exxon Mobil, 2022	Envir.	8. Report on Climate Scenario Analysis	51%	51%
FedEx, 2021	Social	5. Political Spending Disclosure	39%	43%
FedEx, 2021	Social	6. Lobbying Activities Report	62%	69%
Flowers Foods, 2022	Social	4. Political Spending Disclosure	48%	48%
Fox Corp, 2021	Social	4. Lobbying Activities Report	43%	80%
Gilead Sciences, 2022	Social	8. Lobbying Activities Report	50%	50%
HCA Healthcare, 2022	Social	4. Political Spending Disclosure	32%	43%
Hershey, 2022	Social	4. End Child Labor in Cocoa Production	8%	53%
Home Depot, 2022	Social	7. Report on Political Spending Alignment	43%	43%
Home Depot, 2022	Envir.	9. Report on Deforestation	65%	65%
Home Depot, 2022	Social	10. Racial Equity Audit	63%	63%
Ingles Markets, 2022	Multi.	5. Disclose Progress on Cage Free Eggs	8%	69%
IBM, 2022	Social	6. Report on Concealment Clauses	65%	65%
Jack In The Box, 2022	Envir.	6. Report on Sustainable Packaging	95%	95%
Johnson & Johnson, 2022	Social	7. Racial Equity Audit	63%	63%
Johnson & Johnson, 2022	Social	12. Lobbying Activities Report on Universal Health Coverage	43%	43%
Johnson & Johnson, 2022	Social	13. Include Legal and Compliance Costs in Incentive Compensation	48%	48%

Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024.

APPENDIX 2: LIST OF KEY ESG RESOLUTIONS

Key ESG Resolutions, 2020–23 Proxy Years (cont.)

Key ESG Resolutions, 2022 Proxy Year (cont.)

61-90: Lowe’s Companies to Travelers Companies

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Lowe’s Companies, 2022	Social	5. Report on Racial and Gender Pay Gaps	58%	58%
Lyft, 2022	Social	4. Lobbying Activities Report	24%	48%
Maximus, 2022	Social	4. Third Party Equity Audit	64%	64%
McDonald's, 2022	Envir.	5. Report on Reducing Plastics Use	42%	42%
McDonald's, 2022	Social	8. Civil Rights Audit	56%	56%
Meta Platforms, 2022	Social	6. Report on Concealment Clauses	19%	62%
Meta Platforms, 2022	Social	8. Community Standards Enforcement	19%	63%
Meta Platforms, 2022	Social	10. Human Rights Impact Assessment	24%	78%
Meta Platforms, 2022	Social	11. Online Child Exploitation	17%	57%
Meta Platforms, 2022	Social	13. Lobbying Activities Report	21%	67%
Microsoft, 2021	Social	5. Pay Equity Report	40%	40%
Microsoft, 2021	Social	6. Sexual Harassment	78%	78%
Mondelez International, 2022	Social	4. Racial Equity Audit	49%	49%
Monster Beverage, 2022	Envir.	4. Report on Greenhouse Gas Emissions Reduction Initiatives	44%	57%
Netflix, 2022	Social	8. Lobbying Activities Report	60%	60%
Nike, 2021	Social	4. Political Spending Disclosure	31%	54%
Nike, 2021	Social	5. Human Rights Impact Assessment	28%	49%
Nike, 2021	Social	7. Report on Diversity and Inclusion Efforts	36%	63%
Oracle, 2021	Social	5. Racial Equity Audit	32%	67%
Papa John's International, 2022	Multi.	4. ESG Disclosure Related to Pork Housing	42%	46%
Phillips 66, 2022	Envir.	6. Shift to Recycled Polymer for Single Use Plastics	50%	50%
Smith & Wesson Brands, 2021	Social	5. Adopt a Human Rights Policy	44%	44%
Stericycle, 2022	Social	5. Civil Rights Audit	61%	61%
Sturm Ruger, 2022	Social	4. Human Rights Impact Assessment	69%	69%
Tesla, 2021	Social	6. Workforce Diversity and Inclusion	57%	83%
Tesla, 2021	Social	7. Mandatory Arbitration of Employment-Related Claims	46%	67%
Tesla, 2021	Multi.	8. Board-Level Committee on Human Capital Management	34%	49%
Tradeweb Markets, 2022	Multi.	3. Adopt a Policy on Board Diversity	7%	91%
Travelers Companies, 2022	Social	4. Lobbying Activities Report	53%	53%
Travelers Companies, 2022	Envir.	5. Report on Greenhouse Gas Emissions Reduction Initiatives	56%	56%

Key ESG Resolutions, 2022 Proxy Year (cont.)

91-102: Travelers Companies to XPO Logistics

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Travelers Companies, 2022	Social	7. Racial Equity Audit	47%	47%
Twitter, 2022	Social	5. Report on Concealment Clauses	69%	69%
Twitter, 2022	Social	8. Political Spending Disclosure	53%	53%
Twitter, 2022	Social	9. Lobbying Activities Report	41%	41%
Tyson Foods, 2022	Envir.	3. Report on Sustainable Packaging	14%	59%
Uber Technologies, 2022	Social	4. Lobbying Activities Report	45%	45%
Valero Energy, 2022	Envir.	4. Greenhouse Gas Emissions Targets	47%	47%
Walt Disney, 2022	Social	7. Pay Equity Report	60%	60%
Waste Management, 2022	Social	4. Civil Rights Audit	55%	55%
Worthington Industries, 2021	Envir.	4. Report on Climate Policy	41%	73%
XPO Logistics, 2022	Social	5. Additional Disclosure of Political Activities	42%	49%
XPO Logistics, 2022	Social	7. Civil Rights Audit	40%	46%
Twitter, 2022	Social	8. Political Spending Disclosure	53%	53%
Twitter, 2022	Social	9. Lobbying Activities Report	41%	41%
Tyson Foods, 2022	Envir.	3. Report on Sustainable Packaging	14%	59%
Uber Technologies, 2022	Social	4. Lobbying Activities Report	45%	45%
Valero Energy, 2022	Envir.	4. Greenhouse Gas Emissions Targets	47%	47%
Walt Disney, 2022	Social	7. Pay Equity Report	60%	60%
Waste Management, 2022	Social	4. Civil Rights Audit	55%	55%
Worthington Industries, 2021	Envir.	4. Report on Climate Policy	41%	73%
XPO Logistics, 2022	Social	5. Additional Disclosure of Political Activities	42%	49%
XPO Logistics, 2022	Social	7. Civil Rights Audit	40%	46%

Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024.

APPENDIX 2: LIST OF KEY ESG RESOLUTIONS

Key ESG Resolutions, 2020–23 Proxy Years (cont.)

Key ESG Resolutions, 2023 Proxy Year

1-30: Alphabet to Leidos Holdings

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
Alphabet, 2023	Social	6. Lobbying Activities Report	18%	46%
Alphabet, 2023	Social	11. Human Rights Impact Assessment of Targeted Advertising	18%	47%
Alphabet, 2023	Social	12. Algorithm Disclosures	17%	44%
Alphabet, 2023	Social	13. Report on Alignment of YouTube Policies With Legislation	18%	46%
Amazon.com, 2023	Social	7. Report on Customer Due Diligence on Human Rights	34%	41%
Amazon.com, 2023	Social	16. Additional Reporting on Freedom of Association	35%	42%
Amazon.com, 2023	Social	21. Report on Warehouse Working Conditions	35%	43%
Amazon.com, 2023	Social	23. Report on Customer Use of Facial Recognition Technologies	37%	45%
American Water Works, 2023	Social	5. Racial Equity Audit	40%	40%
Amphenol, 2023	Social	5. Political Spending Disclosure	45%	46%
Berkshire Hathaway, 2023	Envir.	4. Report on Climate Risk Management	27%	51%
Berkshire Hathaway, 2023	Envir.	6. Report on Greenhouse Gas Emissions Reduction Initiatives	23%	44%
Berkshire Hathaway, 2023	Social	7. Diversity, Equity and Inclusion Reports	21%	42%
Bio-Rad Laboratories, 2023	Social	5. Political Spending Disclosure	16%	44%
Bloomin Brands, 2023	Envir.	7. Greenhouse Gas Emissions Targets	43%	43%
Boeing Co, 2023	Social	9. Pay Equity Disclosure	47%	47%
Caesars Entertainment, 2023	Social	5. Political Spending Disclosure	42%	42%
Capital One Financial, 2023	Multi.	9. Board Skills and DEI Matrix	44%	44%
Charter Communications, 2023	Social	5. Lobbying Activities Report	32%	47%
Cintas, 2022	Social	8. Political Spending Disclosure	46%	46%
Coterra Energy, 2023	Envir.	6. Report on Reliability of Methane Emission Disclosures	74%	74%
Dollar General, 2023	Social	7. Worker Safety and Well-Being Audit	68%	68%
Expeditors Int'l of Wash., 2023	Social	6. Report on Diversity and Inclusion Efforts	57%	57%
FedEx, 2022	Social	6. Report on Congruence of Political Spending	36%	40%
General Mills, 2022	Envir.	6. Report on Efforts to Reduce Plastic Packaging	56%	56%
GEO Group, 2023	Social	5. Racial Equity Audit	40%	40%
IBM, 2023	Social	6. Lobbying Activities Report	48%	48%
Kroger, 2023	Social	8. Racial and Gender Pay Gap Reporting	48%	48%
Las Vegas Sands, 2023	Multi.	5. Board Skills and DEI Matrix	18%	41%
Leidos Holdings, 2023	Social	5. Report on Congruence of Political Spending	41%	41%

Key ESG Resolutions, 2023 Proxy Year (cont.)

31-53: McDonald's to Yum! Brands

Company, Year	Theme	Item Number, Description	Support	Adjusted Support
McDonald's, 2023	Social	9. Lobbying Activities Report	50%	50%
Meta Platforms, 2023	Social	5. Human Rights Impact Assessment of Targeted Advertising	17%	58%
Meta Platforms, 2023	Social	6. Lobbying Activities Report	15%	48%
Meta Platforms, 2023	Social	11. Report on Child Safety Impacts	16%	54%
NextEra Energy, 2023	Multi.	5. Board Skills and DEI Matrix	49%	49%
Paccar, 2023	Envir.	6. Report on Climate-Related Lobbying Activities	47%	47%
Quest Diagnostics, 2023	Envir.	6. Greenhouse Gas Emissions Reduction and Transition Plan	48%	48%
Red Rock Resorts, 2023	Multi.	6. Board Diversity and EEO-1 Reporting	6%	78%
Smith & Wesson Brands, 2022	Social	5. Develop a Human Rights Policy	42%	42%
Starbucks, 2023	Social	8. Assessment of Worker Rights Commitments	52%	52%
Targa Resources, 2023	Envir.	5. Limit Supply Chain Flaring Activities	41%	41%
Tesla, 2022	Social	7. Reporting on Anti-Harassment and Discrimination	47%	67%
Tesla, 2022	Social	9. Reporting on Employee Arbitration	38%	54%
Tesla, 2022	Envir.	10. Report on Climate-Related Lobbying Activities	35%	49%
Tesla, 2022	Social	11. Freedom of Association and Collective Bargaining Policy	33%	48%
Tesla, 2022	Envir.	13. Reporting on Water Risk	35%	50%
Texas Roadhouse, 2023	Envir.	5. Greenhouse Gas Emissions Targets	40%	40%
Walmart, 2023	Social	7. Racial Equity Audit	18%	42%
Walmart, 2023	Social	12. Workplace Safety and Violence Review	24%	55%
Wells Fargo, 2023	Social	10. Reporting on Anti-Harassment and Discrimination	55%	55%
Wendy's, 2023	Social	7. Lobbying Activities Report	36%	48%
Westlake, 2023	Envir.	7. Greenhouse Gas Emissions Targets	12%	47%
Yum! Brands, 2023	Social	6. Lobbying Activities Report	42%	42%

Source: Morningstar Manager Research, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 2, 2024.

Appendix 3: Manager Voting Records, U.S.

Voting records on key ESG resolutions for 20 of the largest U.S. managers of equity fund assets.

American Century

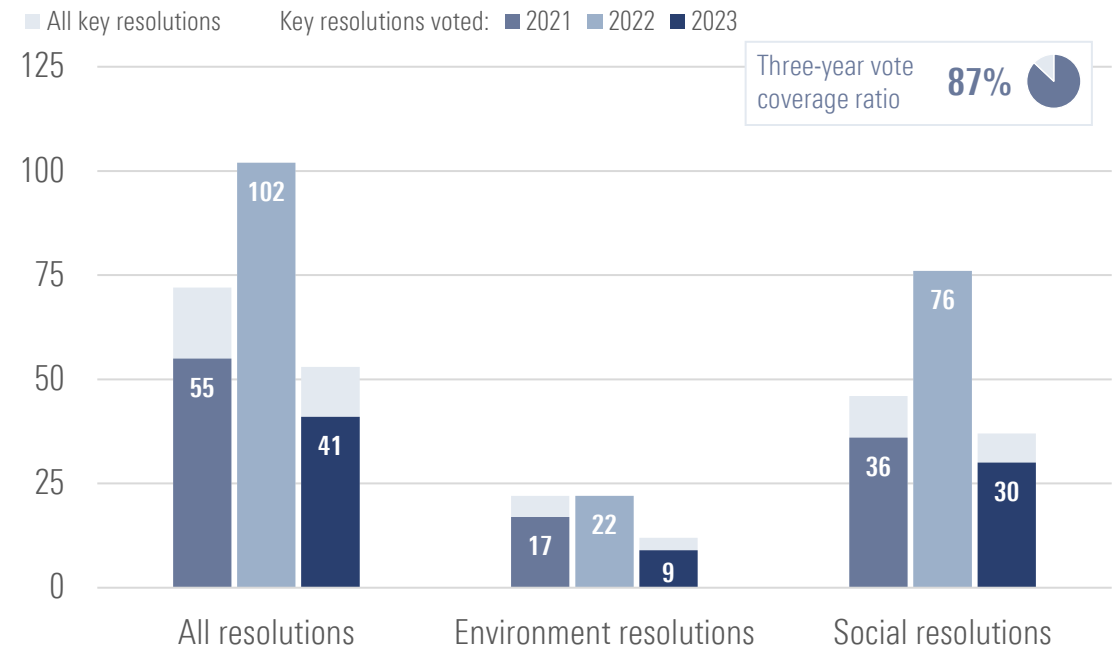
American Century features among the top 20 U.S. managers with over USD 125 billion of worldwide equity fund assets. The firm’s previously high level of support for key ESG resolutions appears to have come to an abrupt end in 2023. In the 2021 and 2022 proxy years, the firm’s support for key environmental resolutions exceeded 90%, and its support for key social resolutions exceeded 80% in both years.

In 2023, these support levels fell to 66% and 30%, respectively. As a result, American Century’s decline in support for key ESG resolutions is the steepest of all the managers included in this study. The firm’s three-year average support for key ESG resolutions (76%) remains high compared with most other U.S. firms, but if current voting trends continue, these longer-term averages would also decline sharply in 2024.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

BlackRock (incl. iShares)

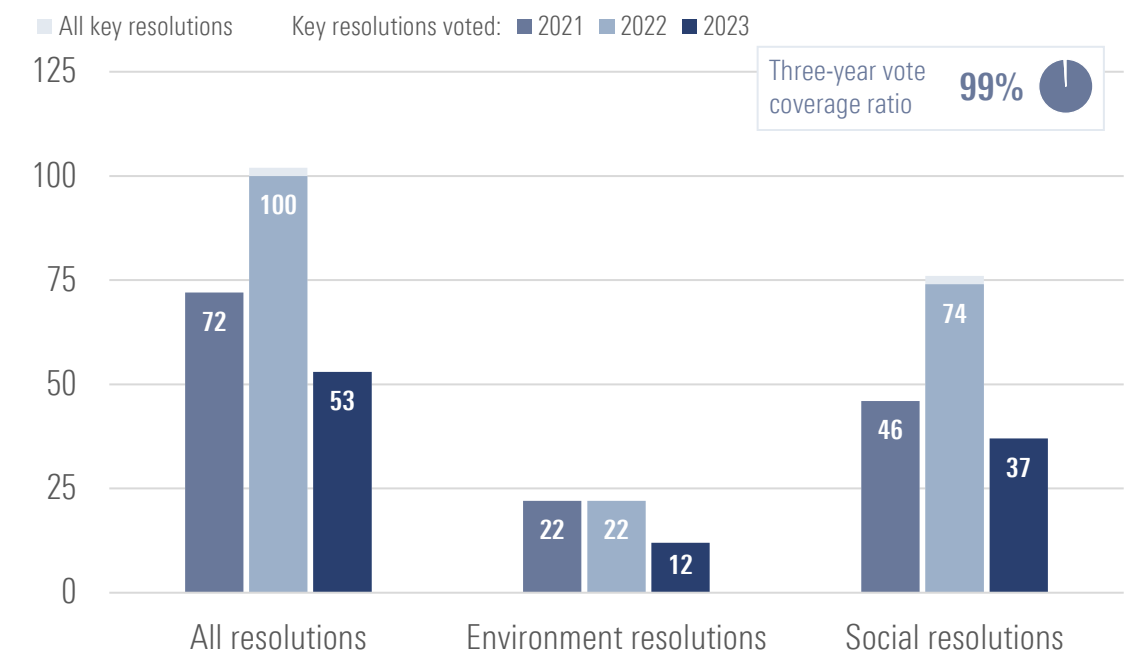
BlackRock is the second-largest manager in this study based on its USD 1.9 trillion of worldwide equity funds. It is also the largest equity fund manager in Europe. The firm was early to communicate its much lower support for “prescriptive” or “redundant” environmental and social shareholder resolutions in 2023. Looking at key resolutions, the firm’s support has almost halved in the last two proxy years to 37% in 2023.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Our analysis shows that BlackRock’s decline in support for key ESG resolutions is limited to those focused on social issues. The firm’s support for environmental key resolutions actually increased from 59% in the 2022 proxy year to 75% in 2023. BlackRock’s support for social key resolutions fell from 44% to 28% over those two years.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



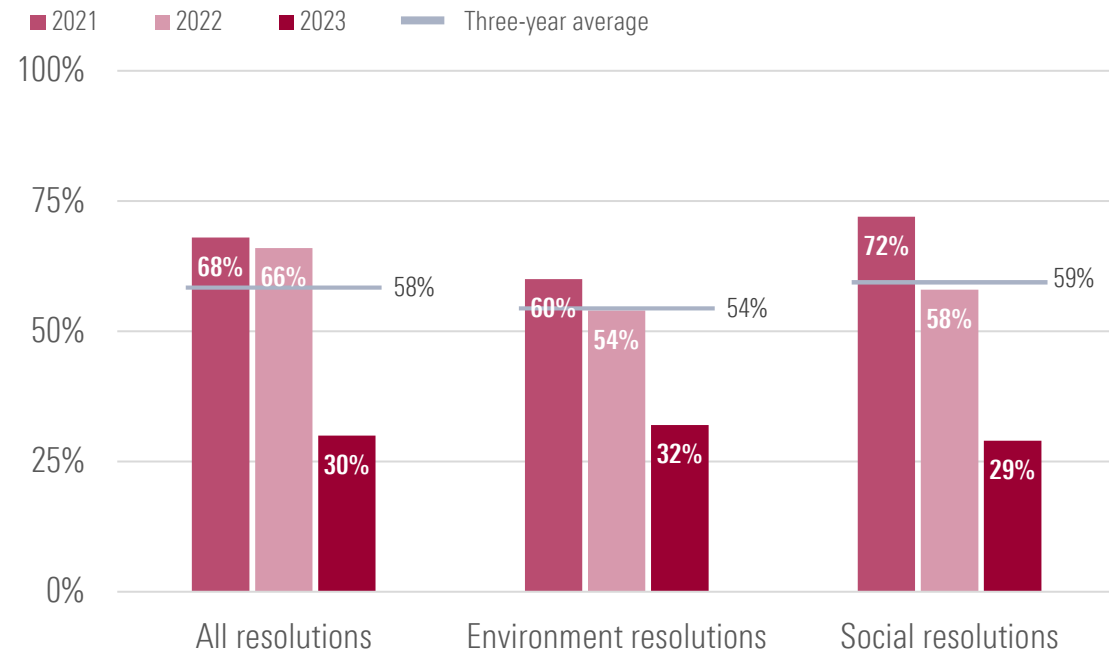
Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

U.S. MANAGER VOTING RECORDS

Capital Group (incl. American Funds)

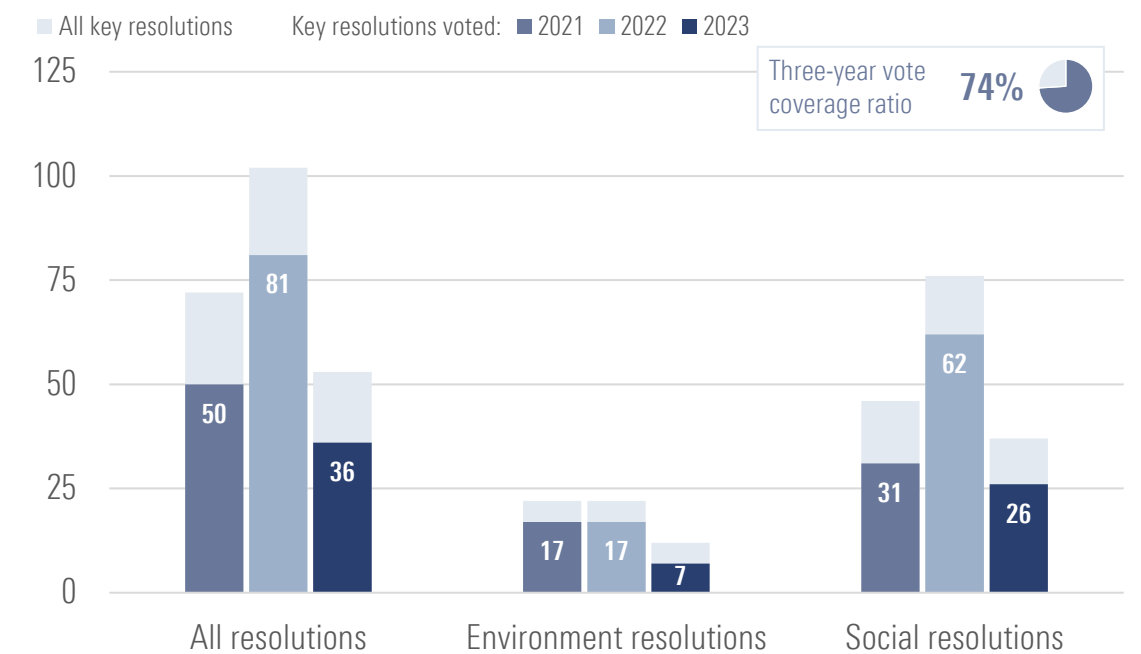
Capital Group’s USD 1.4 trillion of worldwide equity funds managed to place it among the top five managers in this study. Our records show a sharp pullback in support for key ESG resolutions by Capital Group in the 2023 proxy year. The firm’s support for key ESG resolutions more than halved to 30% in 2023, having previously stood at around two thirds in the two previous proxy years.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Capital Group’s support for both environmental and social key resolutions in 2023 was broadly similar (32% and 29%, respectively), having previously shown higher support for social resolutions. This active manager voted 74% of key resolutions in the last three proxy years, lower than the other U.S. top five managers (BlackRock, Fidelity, State Street, and Vanguard) who have near-total vote coverage because of passive strategies.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



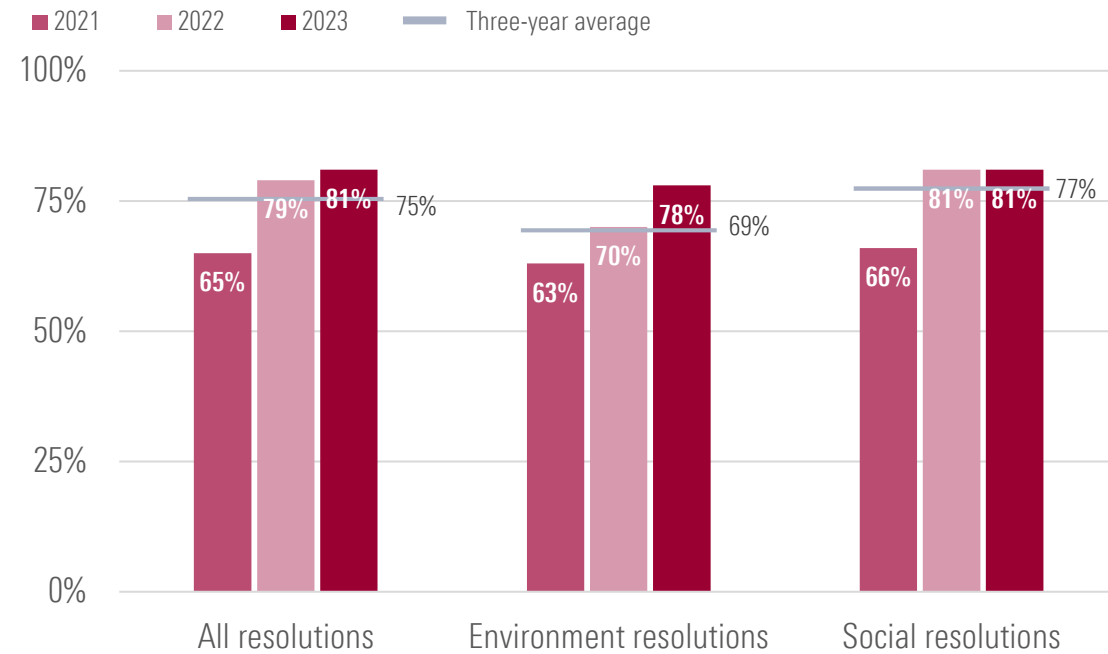
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Charles Schwab Asset Management

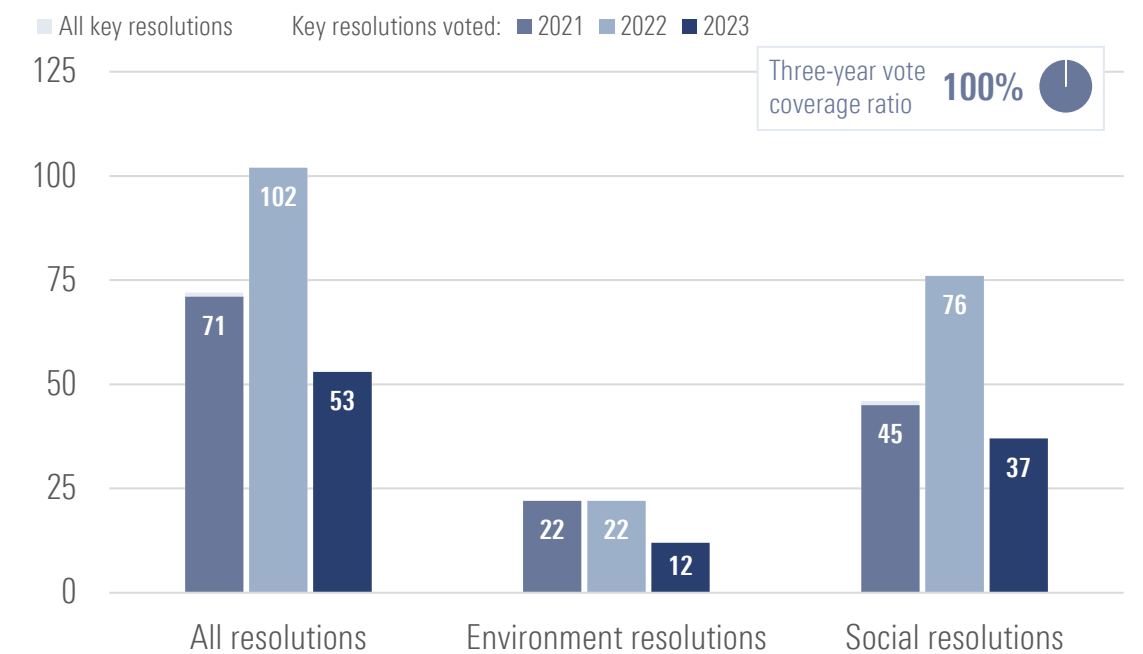
Charles Schwab’s USD 405 billion of worldwide equity funds places it among the top 10 asset managers globally on this metric. However, unlike most large U.S. managers, the firm’s support for key ESG resolutions has risen noticeably over the last couple of years, from 65% in the 2021 proxy year to 81% in 2023.

The firm’s three-year average support for key resolutions stands at 75%, with 100% vote coverage. Unlike most other large U.S. managers, Charles Schwab’s support for social key resolutions has consistently exceeded that for environmental ones. However, the gap between the two narrowed in the 2023 proxy year.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

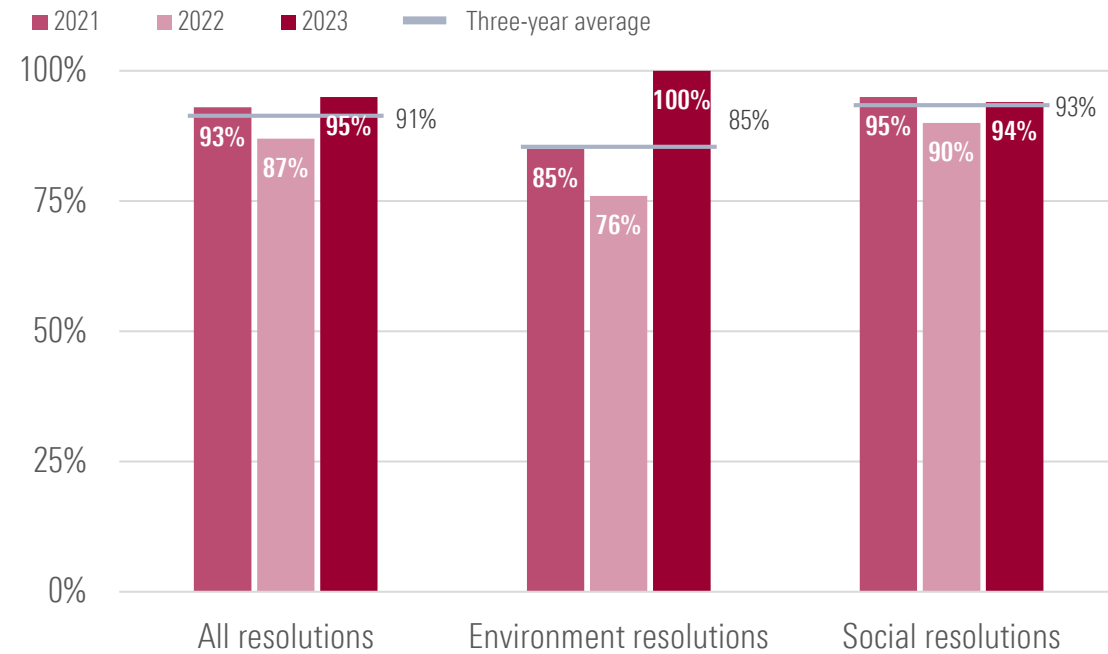


Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Columbia Threadneedle Investments

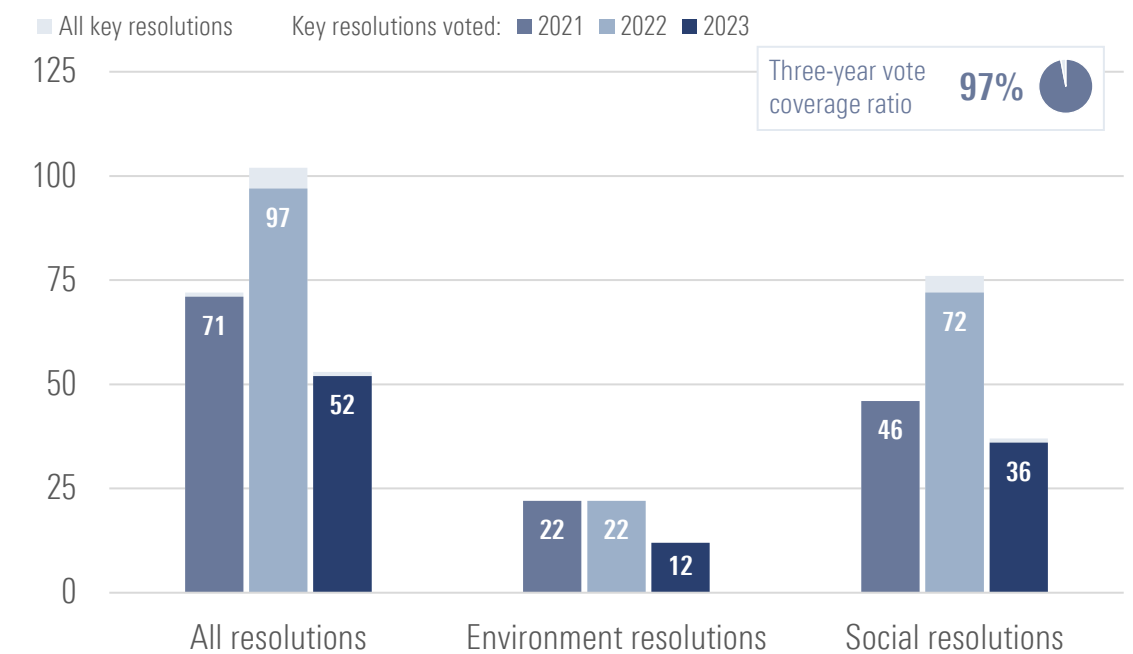
With over USD 160 billion of worldwide equity fund assets, Columbia Threadneedle stands among the top 20 equity fund managers globally. Looking at its voting record over the last three proxy years, Columbia Threadneedle is one of only three U.S. managers whose support for key ESG resolutions exceeds 90% (alongside MFS and Charles Schwab).

Support for Key ESG Resolutions, 2021–23 Proxy Years



The firm’s three-year average support for key ESG resolutions stands at 91%, having recorded an increase in support to 95% in the 2023 proxy year. On average over three years, Columbia Threadneedle’s support for environmental key resolutions (85%) has lagged that for social key resolutions (93%). However, this trend reversed in 2023.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

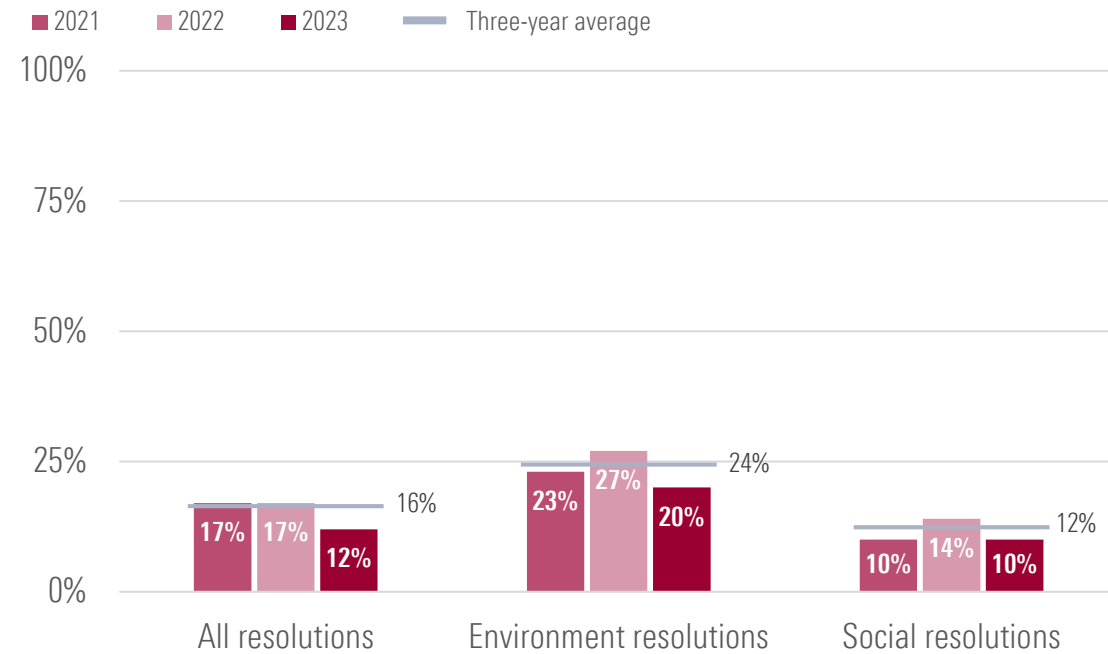


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Dimensional Fund Advisors

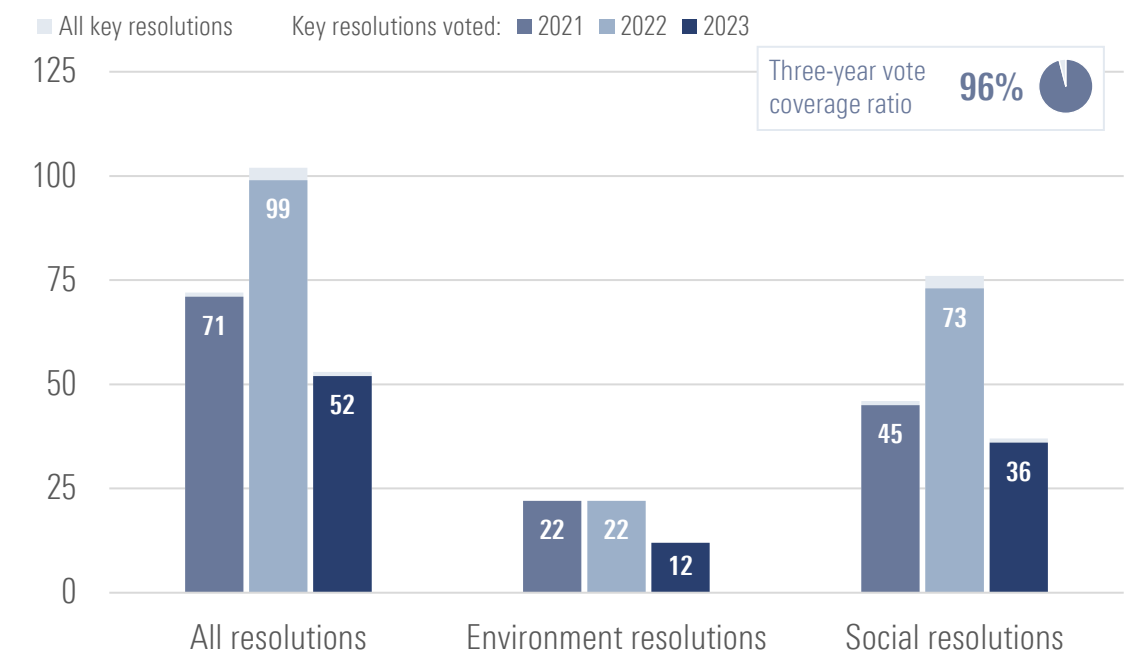
Quantitative fund manager Dimensional places among the top 10 asset managers based on worldwide equity funds, with over USD 425 billion of equity fund assets. The firm has been a consistently low supporter of key ESG resolutions, averaging 16% support over the last three proxy years. The firm further pulled back its support for these resolutions in the 2023 proxy year to just 12%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Dimensional’s voting record shows its support for environmental key resolutions is generally double that for social resolutions. But its support for both is low in absolute terms—the three-year averages are 24% for environmental key resolutions and 12% for social key resolutions.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

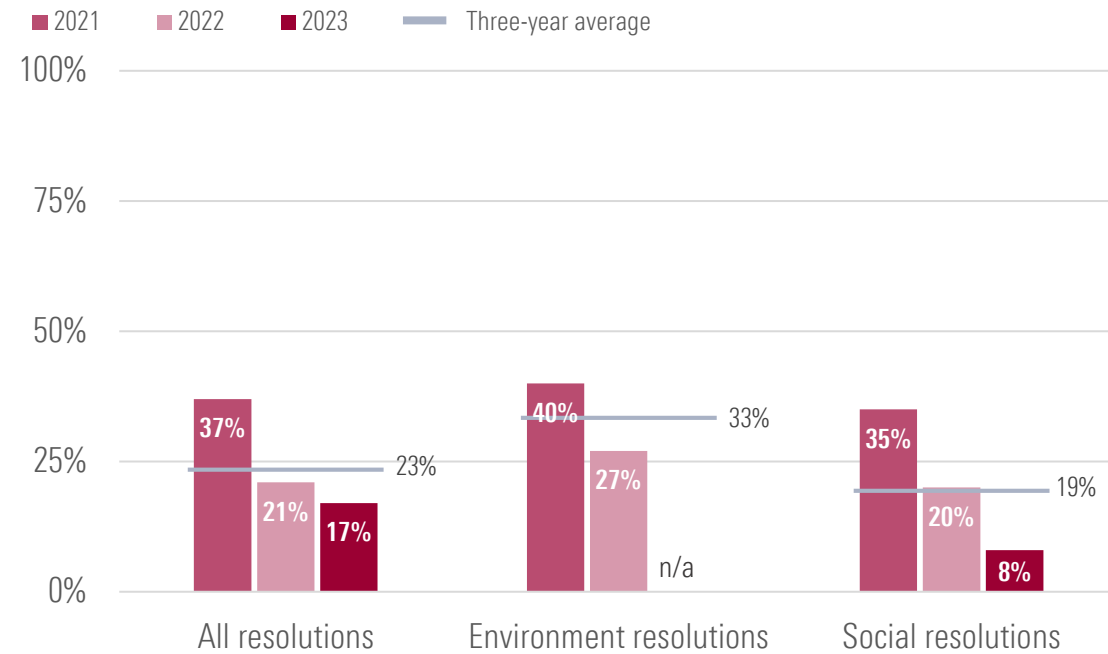


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Dodge & Cox

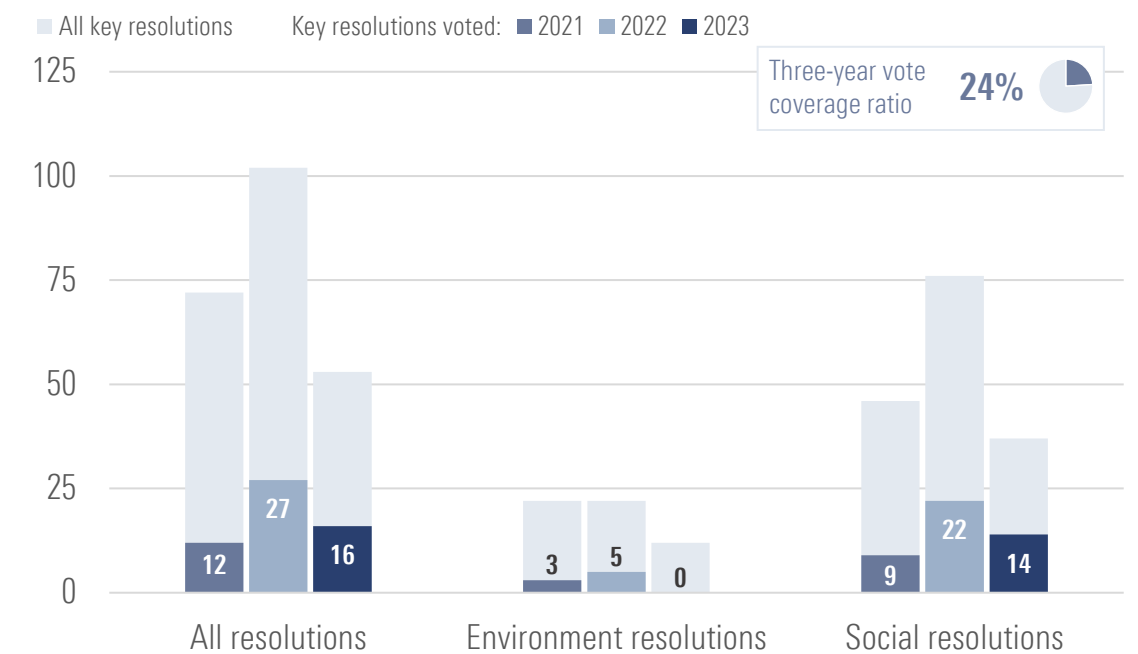
Dodge & Cox features among the top 20 equity fund managers globally with over USD 160 billion of worldwide equity fund assets. The firm’s level of support for key ESG resolutions over the last three years has generally been low, but with strong negative trends. Over this period, Dodge & Cox’s support for key ESG resolutions fell from 37% in the 2021 proxy year to 17% in 2023, with an average of 23%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



The firm’s support for environmental key resolutions significantly exceeds that for social resolutions. As a high-conviction active manager, Dodge & Cox owns fewer stocks and votes fewer proxy ballots. As a result, the firm has the lowest vote coverage ratio of the managers in this study, with a three-year average of 24%.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

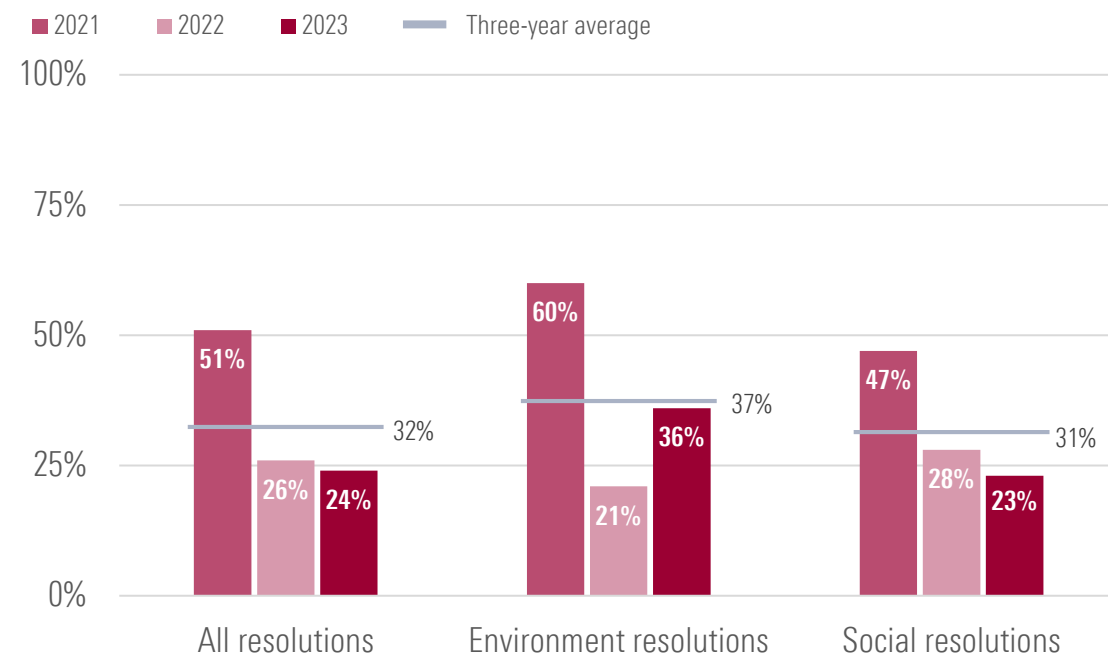


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Fidelity (excl. subadvised funds)

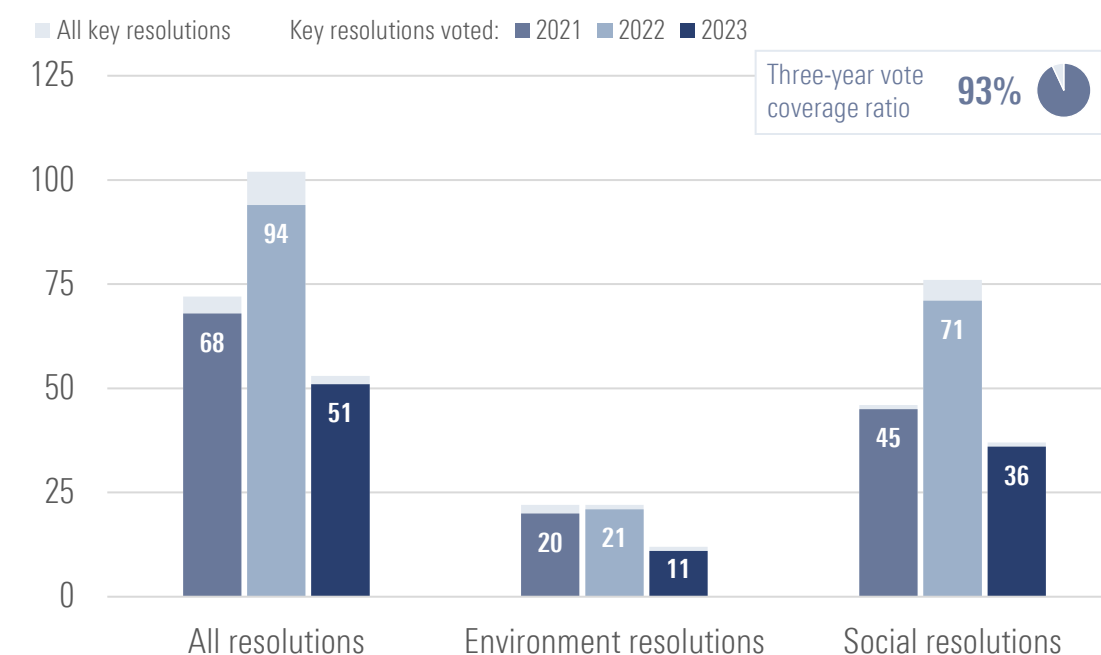
Fidelity is the third-largest fund manager in this study, with close to USD 2 trillion of worldwide equity fund assets, according to Morningstar Direct. Like the top two managers, Vanguard and BlackRock, Fidelity has pulled back its support for key ESG resolutions since hitting a peak in 2021. The firm’s three-year average support for these proposals stands at 32%, ranging between 51% in 2021 and 24% in 2023.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Fidelity’s support for environmental key resolutions (three-year average: 37%) has generally been higher than for social key resolutions (31%), although in absolute terms the firm’s support on both themes is low. (These figures exclude voting decisions taken by subadvisors, including the firm’s Geode index fund subsidiary, which is analyzed on the following page.)

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

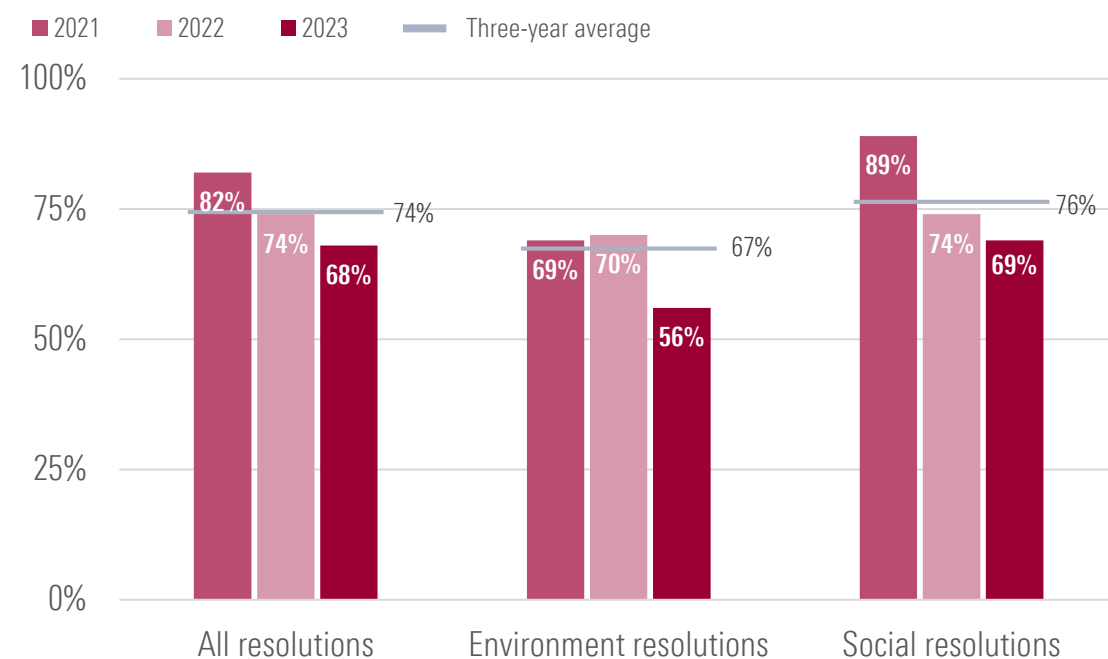


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Fidelity (Geode subadvised funds)

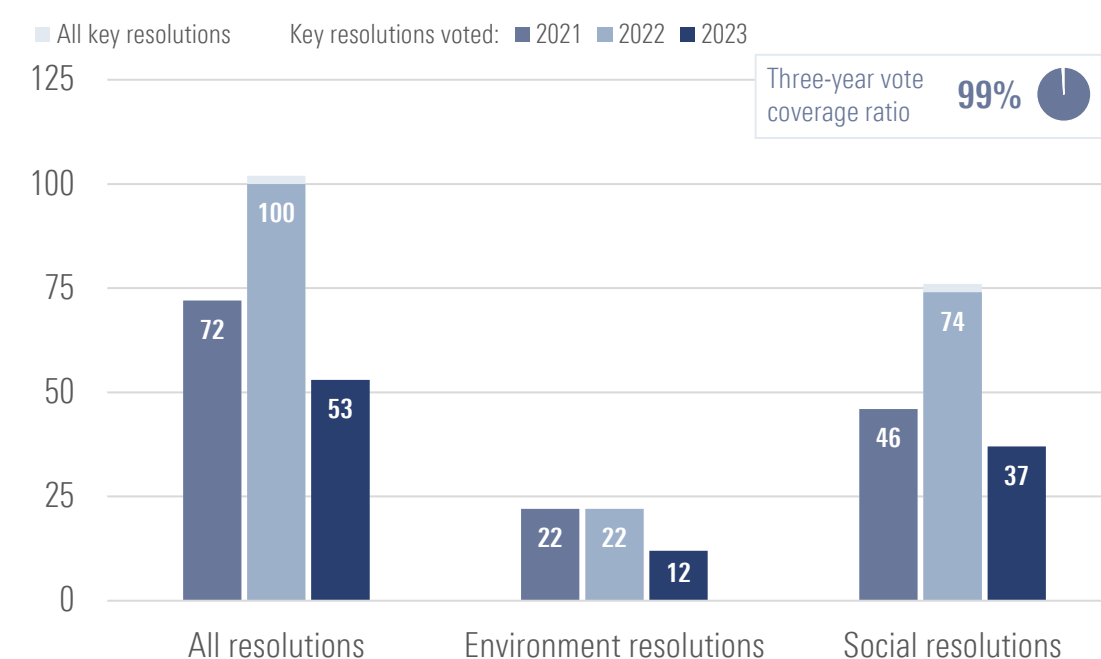
Fidelity’s passive funds are subadvised by its subsidiary, Geode Capital Management, which now represents around one fifth of the firm’s total assets. Geode’s voting record on key ESG resolutions differs significantly from that of its parent. Over the last three years, Geode’s support for key resolutions averaged 74%, compared with 24% for funds advised directly by Fidelity.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Like its parent, Geode’s support for key resolutions trended lower in 2023 at 68%. Geode’s support for social key resolutions has consistently exceeded that for environmental resolutions over the last three proxy years. Like the other passive managers in this study, Geode’s vote coverage ratio is very high, standing at 99% over the last three proxy years.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

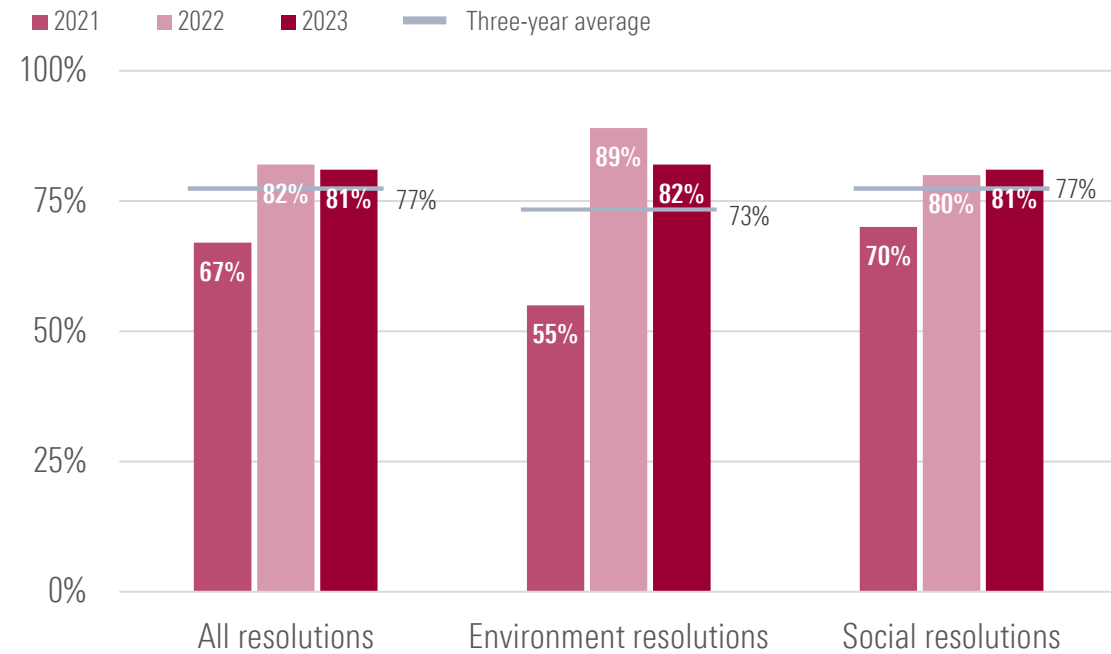


Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Franklin Templeton Investments

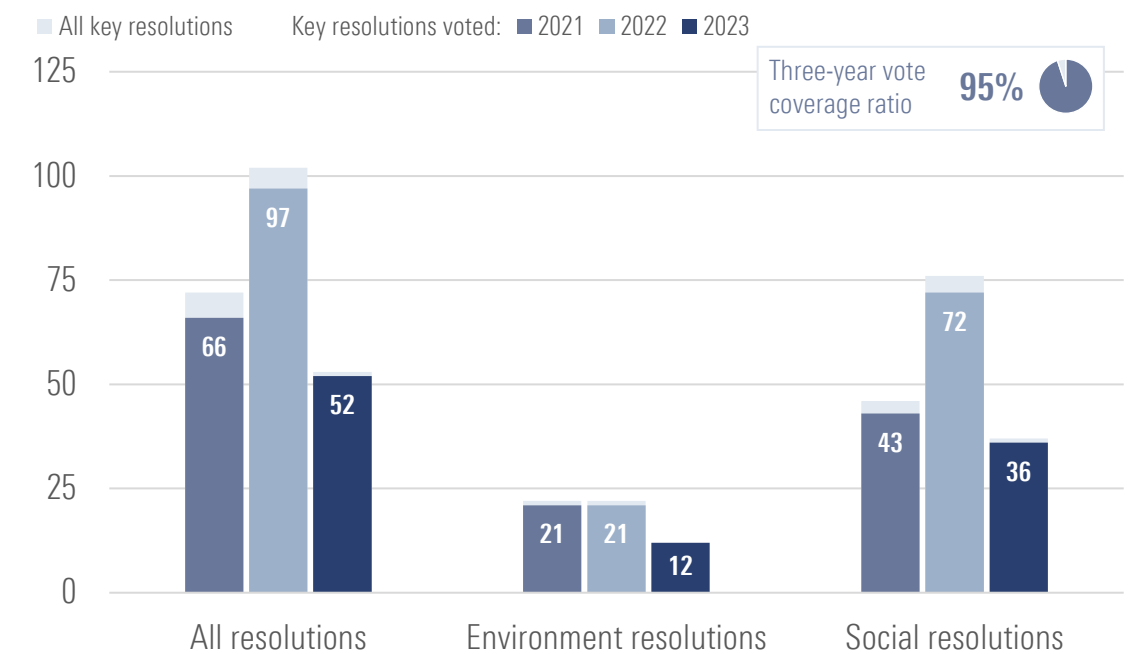
With USD 315 billion of worldwide equity funds, according to Morningstar Direct, Franklin Templeton places just outside the top 10. Voting policy changes in 2022 prompted an increase in the firm’s support for key ESG resolutions from a Medium level of 67% in 2021 to 82% the following year. In 2023, the firm’s voting trend for key proposals remained stable.

Support for Key ESG Resolutions, 2021–23 Proxy Years



On a three-year basis, Franklin Templeton’s support for key resolutions stands at 77%. The firm has displayed slightly higher support for social key resolutions compared with environmental ones. However, the gap between the two has narrowed significantly over the last two proxy years.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



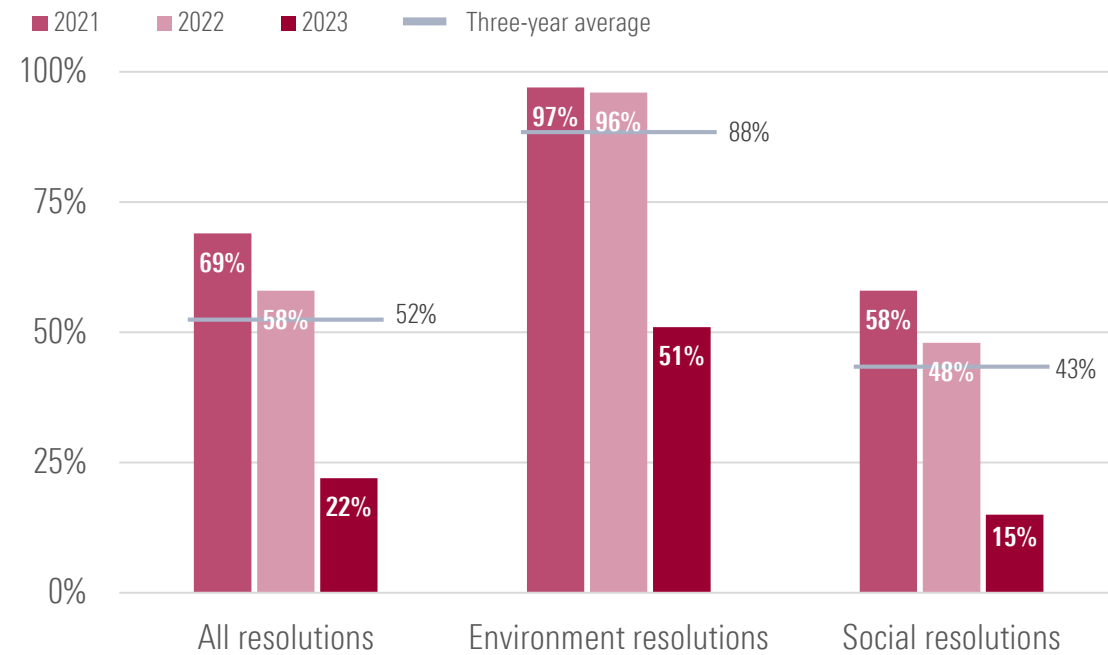
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Goldman Sachs Asset Management

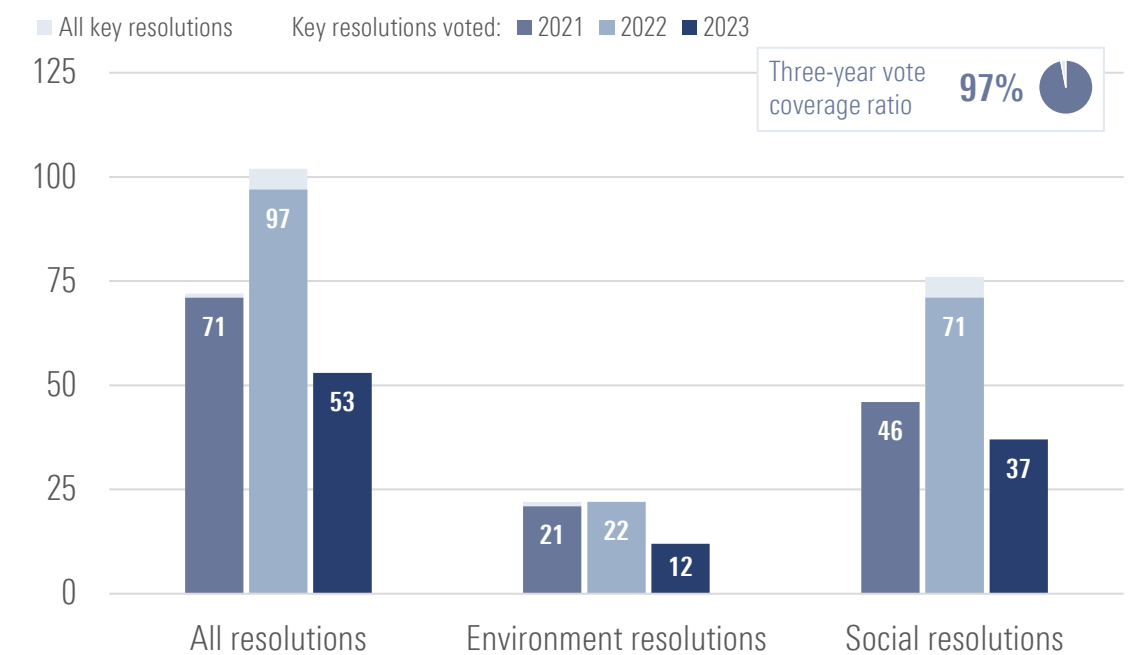
Goldman Sachs, with over USD 150 billion of equity fund assets, places among the global top 25 equity fund managers in this study. It is also among the top 30 equity managers in Europe. The firm’s reduction in support for key ESG resolutions in 2023 is among the steepest declines among the managers this study. The firm’s 22% support for

key proposals stands a full 30 percentage points below its three-year average and 47 percentage points below its 2021 peak. Goldman’s support for environmental key resolutions halved year on year in 2023 to 51%; its support for social key resolutions fell to just 15% from 48% over the same period.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



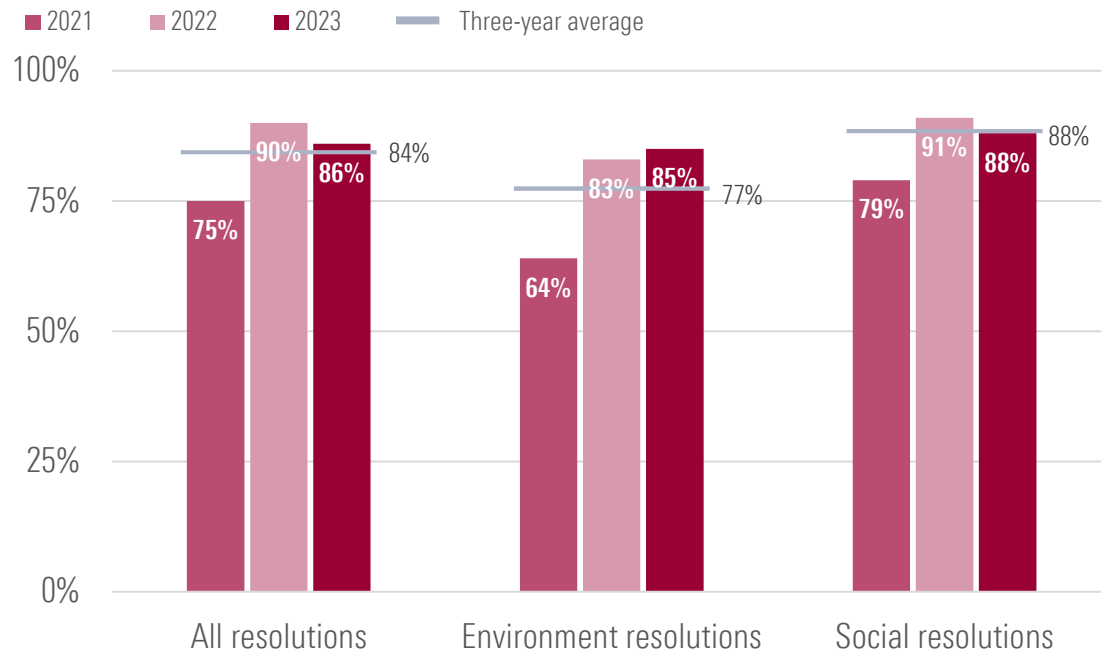
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Invesco

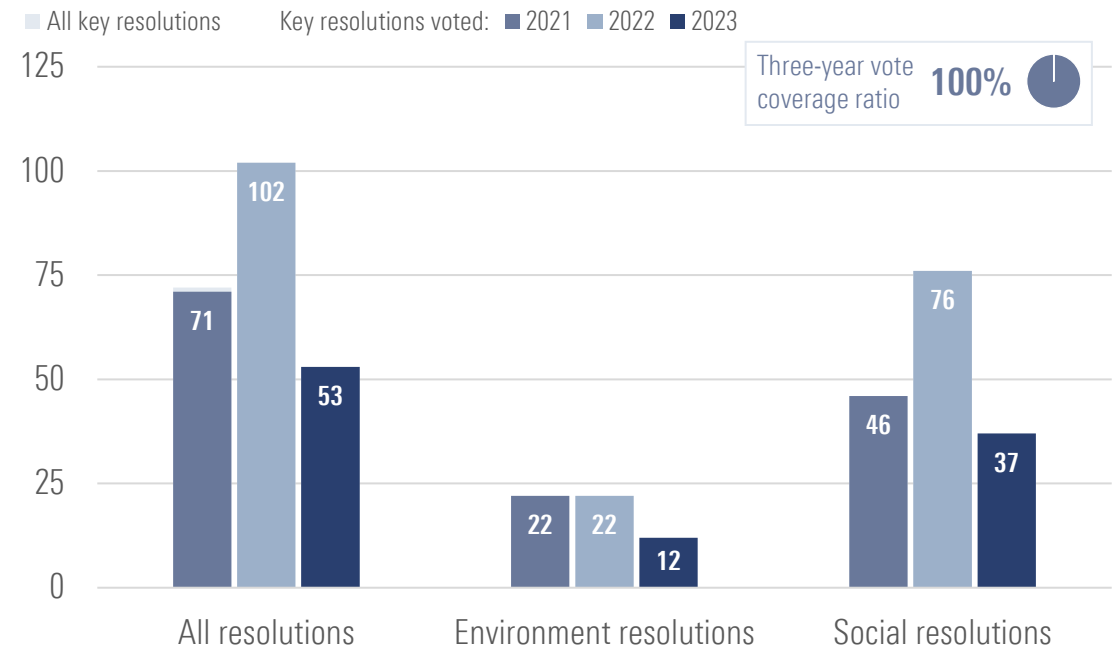
Invesco stands among the top 10 equity managers with close to USD 650 of worldwide equity fund assets, according to Morningstar Direct. It also ranks among the top 20 European managers on this basis. Invesco’s support for key resolutions over the last three proxy years is the highest among the top 10 at 84%. The firm’s trend in support

has been stable over the last year, following an increase in the 2022 proxy year. Invesco’s support for social key resolutions over the last three years (88%) stands meaningfully higher than its support for environmental key resolutions (77%). However, both are high in absolute terms.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



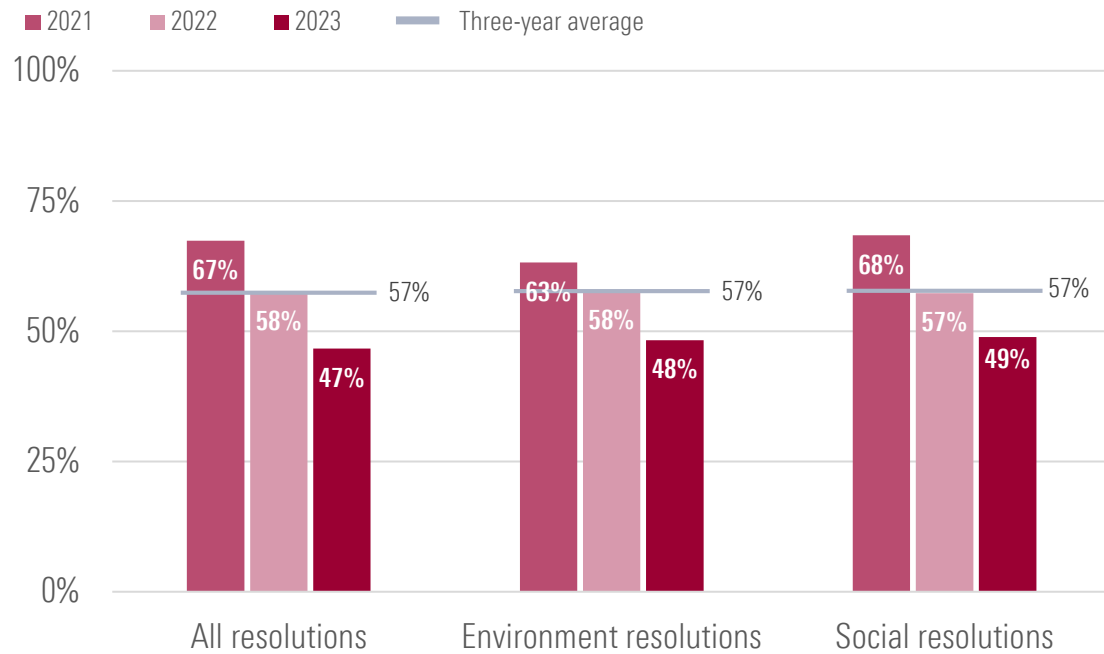
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Jackson National

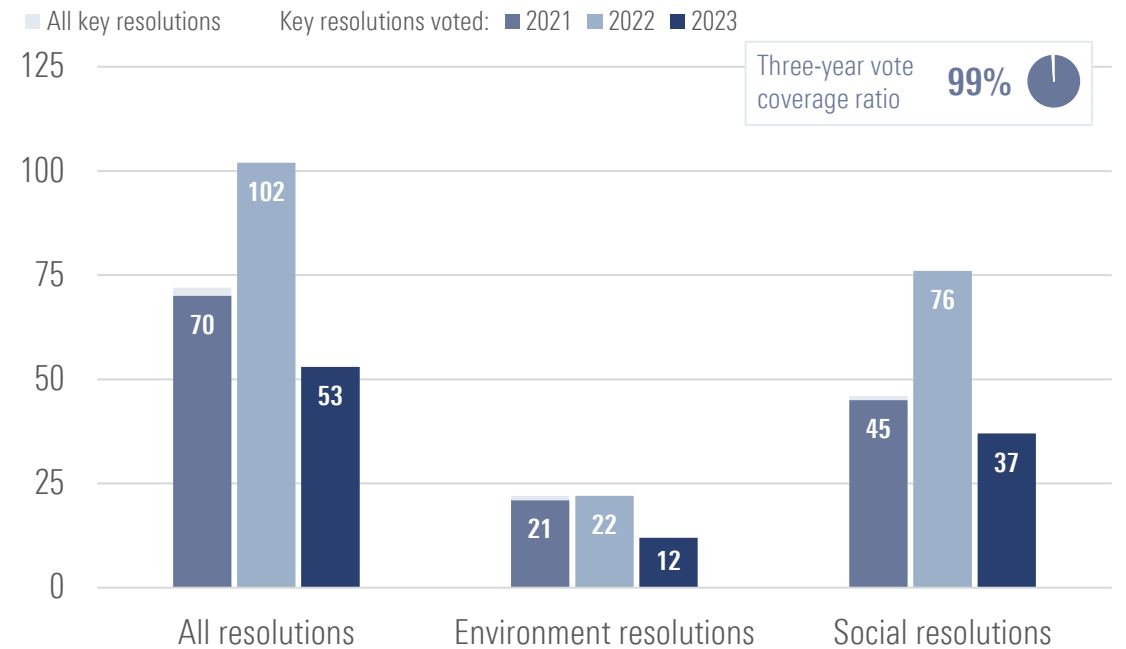
Jackson National ranks among the global top 30 equity fund managers with USD 120 billion of worldwide equity fund assets, according to Morningstar Direct. The firm’s support for key ESG resolutions has been consistently close to the market average over recent years.

Jackson’s support for key resolutions stood at 47% in 2023. Similar to the wider market, the firm’s support is trending downward in the most recent proxy year — Jackson’s three-year average support stands at 57%. The firm’s support for both environment and social resolutions show very similar patterns.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



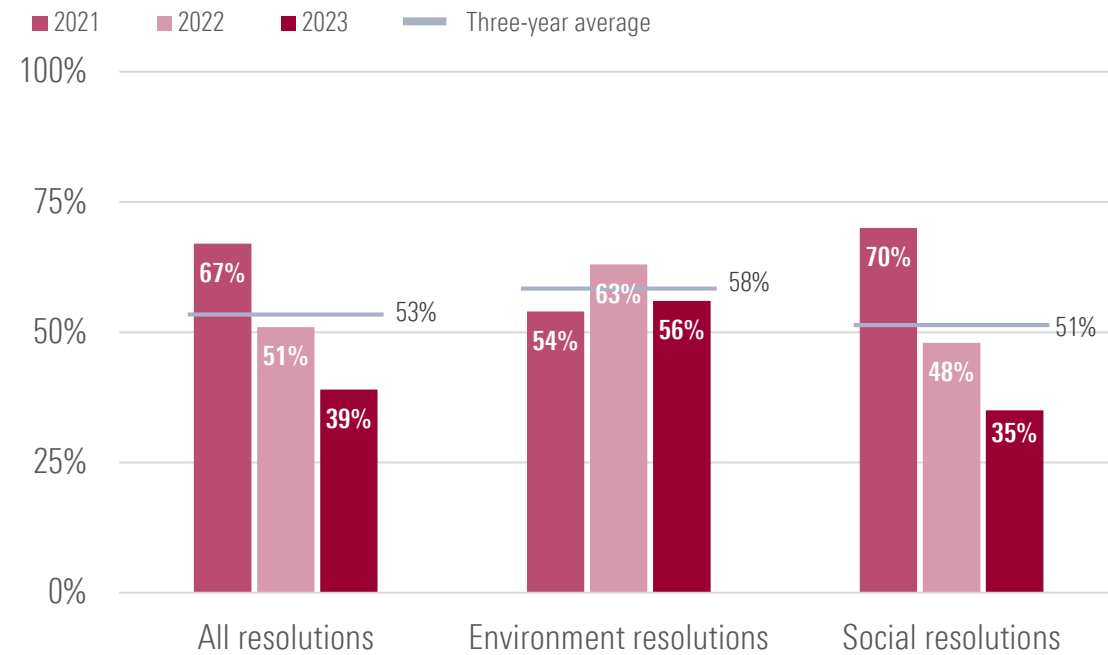
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Janus Henderson Investors

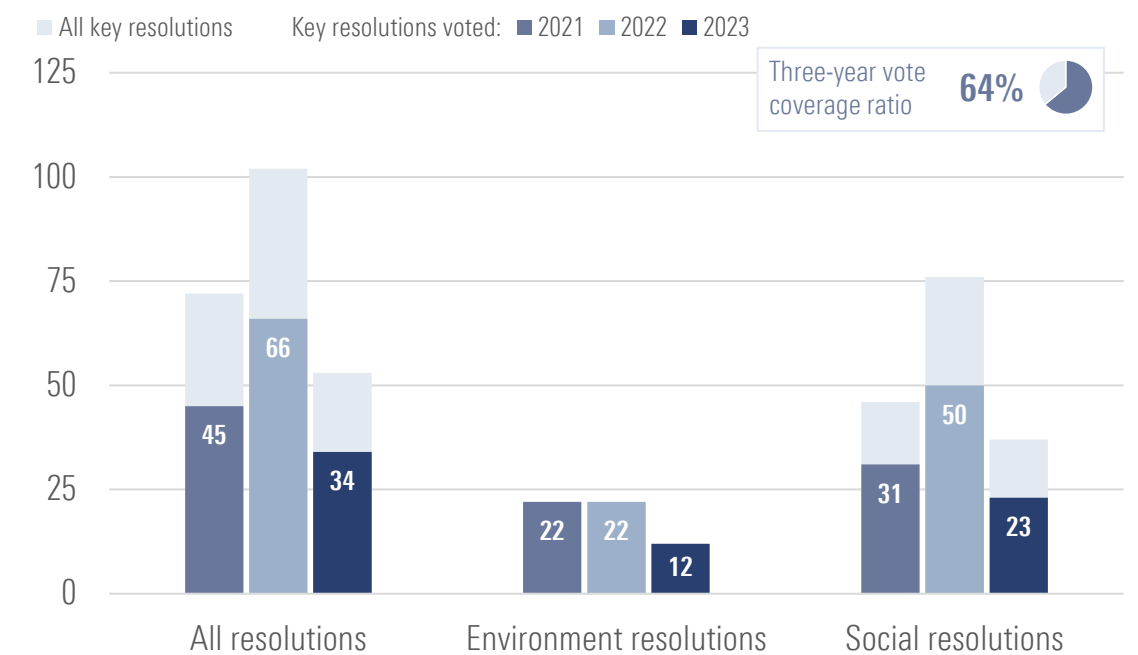
Janus Henderson ranks among the top 25 global equity fund managers, with close to USD 150 billion of worldwide equity fund assets, according to Morningstar Direct. The firm’s decline in support for key ESG resolutions in 2023 was significant, falling to 39% from a three-year average of 53% and a 2021 peak of 67%. This decline was largely influenced by a withdrawal of support for social key resolutions, which constitute the

majority of the population of votes analyzed. Support for social key resolutions halved from 70% in the 2021 proxy year to 35% in 2023, averaging 51% over that period. Janus Henderson’s support for environmental key resolutions was more stable over the last three proxy years, with an average of 58%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

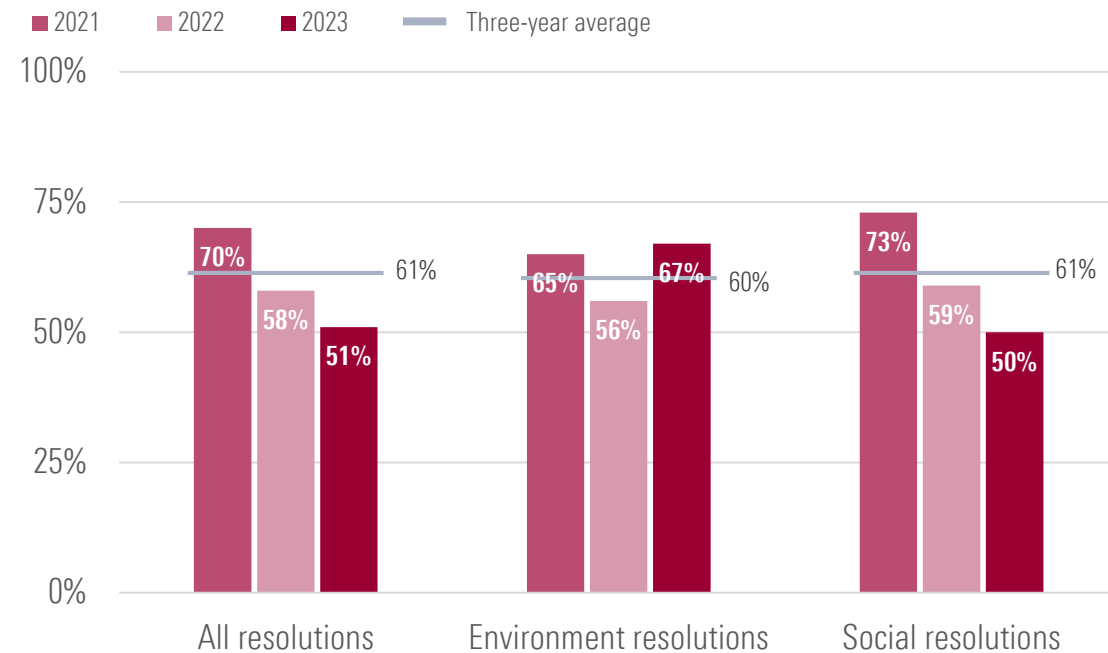


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

JPMorgan Asset Management

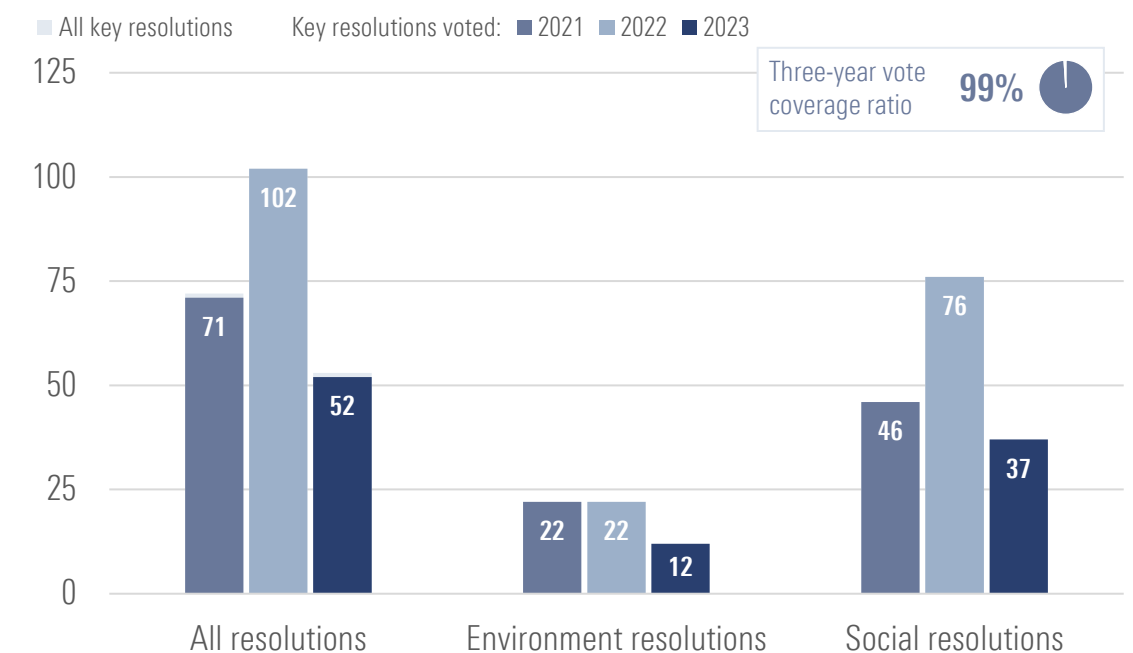
JPMorgan’s USD 500 billion of worldwide equity fund assets places the firm among the top 10 globally on this measure. The firm is also a top 10 manager of European equity funds, according to Morningstar Direct. JPMorgan has been consistently middle-of-the-pack among U.S. managers regarding its support for key ESG resolutions over the last three proxy years. However, like the rest of the pack, the firm’s support trend is down.

Support for Key ESG Resolutions, 2021–23 Proxy Years



JPMorgan’s support for key shareholder resolutions in 2023 stood at a moderate 51%, compared with a three-year average of 61%. Over the last three years, the firm’s support for environmental and social key resolutions has differed little, at around 60%. However, in 2023, JPMorgan showed much higher support for environmental key resolutions compared with social ones.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



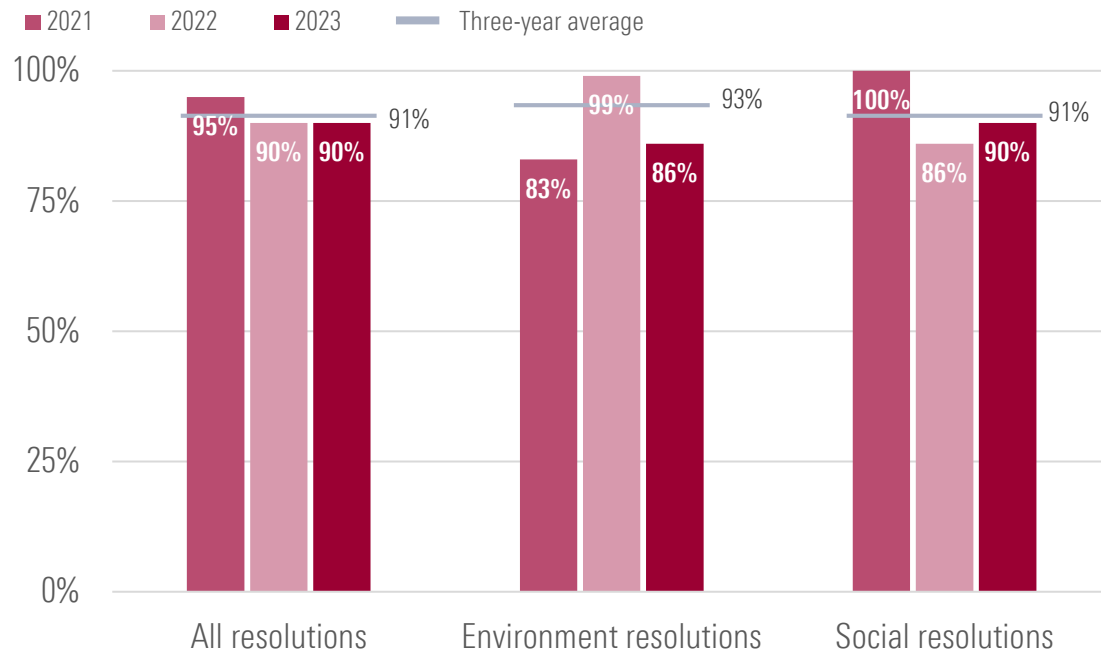
Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

MFS

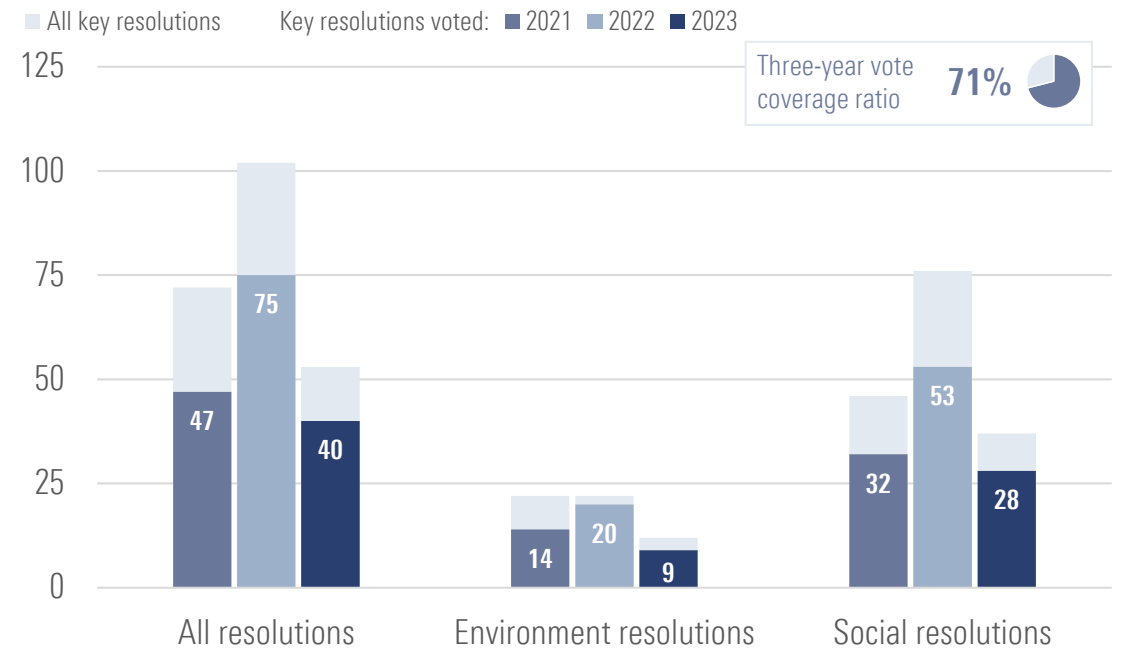
MFS manages over USD 280 billion of worldwide equity fund assets, placing it well inside the global top 20. MFS' support for key ESG resolutions over the last three years exceeds 90%, one of only three U.S. firms with that record. (Columbia Threadneedle and Charles Schwab are the other two). The firm's vote coverage ratio for these resolutions is lower than most of the large U.S. managers at 71%.

Overall, MFS' support for key ESG resolutions has been fairly constant, varying between 95% in the 2021 proxy year and 90% in the 2022 and 2023 proxy years. The firm's support for environment key resolutions over the last three years is only marginally higher than for social key resolutions.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



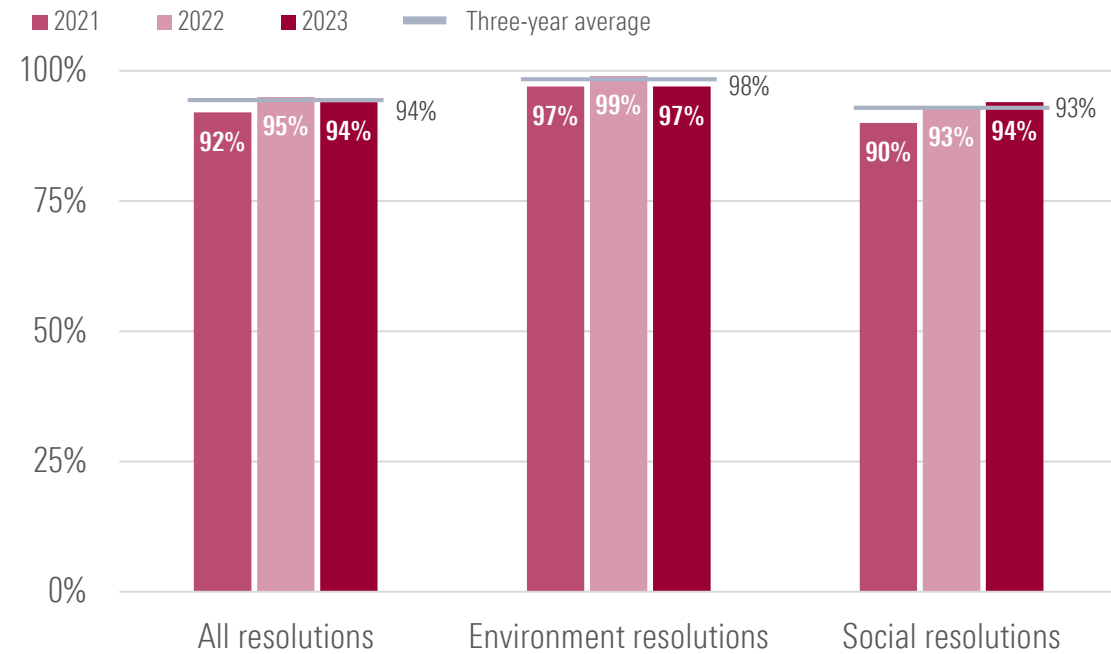
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Morgan Stanley Investment Management

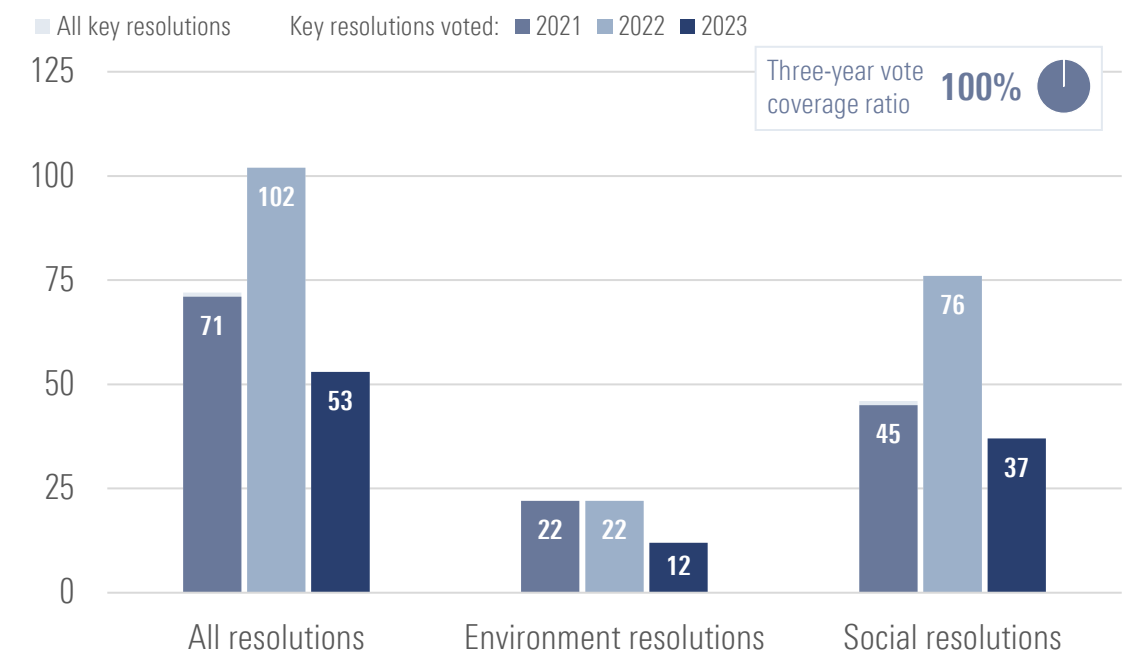
Morgan Stanley places among the top 25 asset managers globally based on its USD 125 billion of worldwide equity funds, according to Morningstar Direct. It also places among the European top 30. The firm’s support for key ESG resolutions over the last three proxy years is the highest of all 20 U.S. managers included in this study.

On average, the firm’s three-year average support level for key ESG resolutions stood at 94% at the end of the 2023 proxy year. Morgan Stanley’s support for environmental key resolutions over three years (98% average) slightly exceeds that for social resolutions over the period (93%).

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

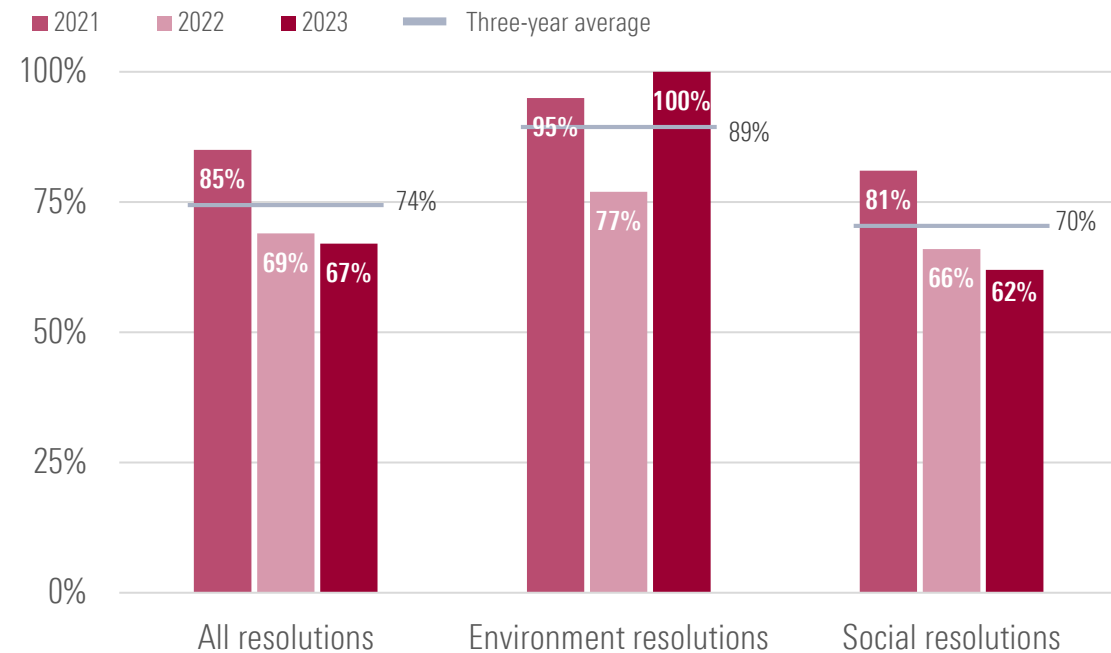


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Nuveen/TIAA

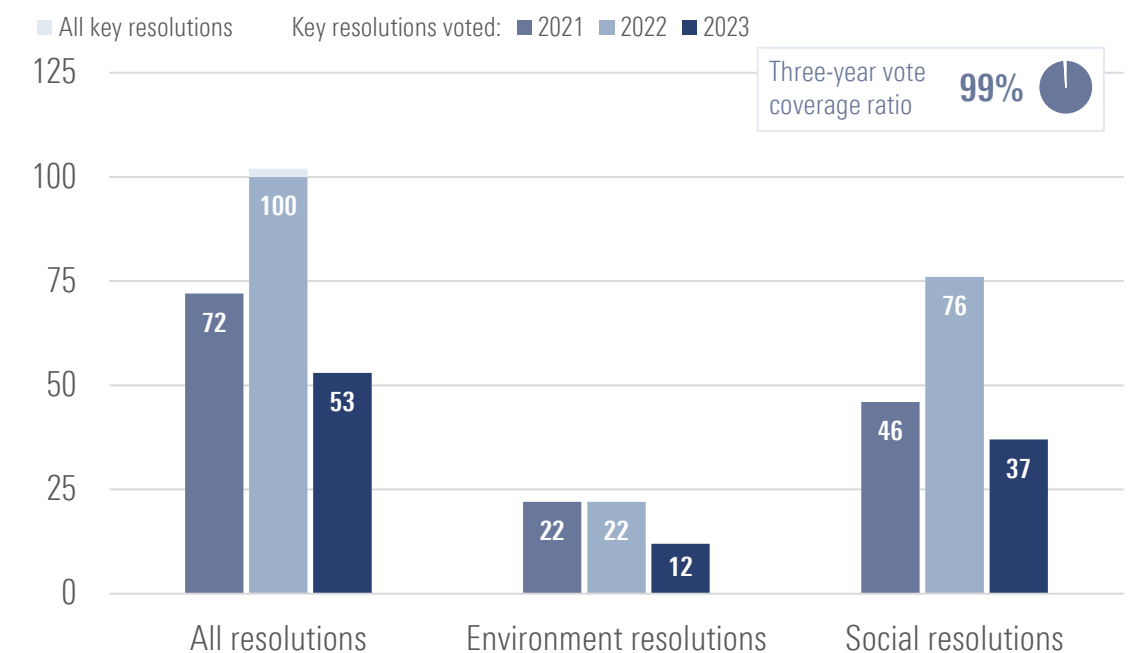
With over USD 160 billion of worldwide equity fund assets, TIAA fund manager Nuveen is among the top 20 global equity fund managers. Nuveen’s overall support for key ESG resolutions in the last three years is high at 74%, but with some interesting underlying trends. For example, the firm’s support for key proposals fell from a high 85% in the 2021 proxy year to a more moderate 67% in 2023.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Nuveen’s support for environmental key resolutions has consistently exceeded that for social key resolutions. Average support for environmental key resolutions stands at 89% over the last three years and hit 100% in 2023 based on 12 key votes that year. This compares with a 70% three-year average for social key resolutions, falling to 52% in 2023.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



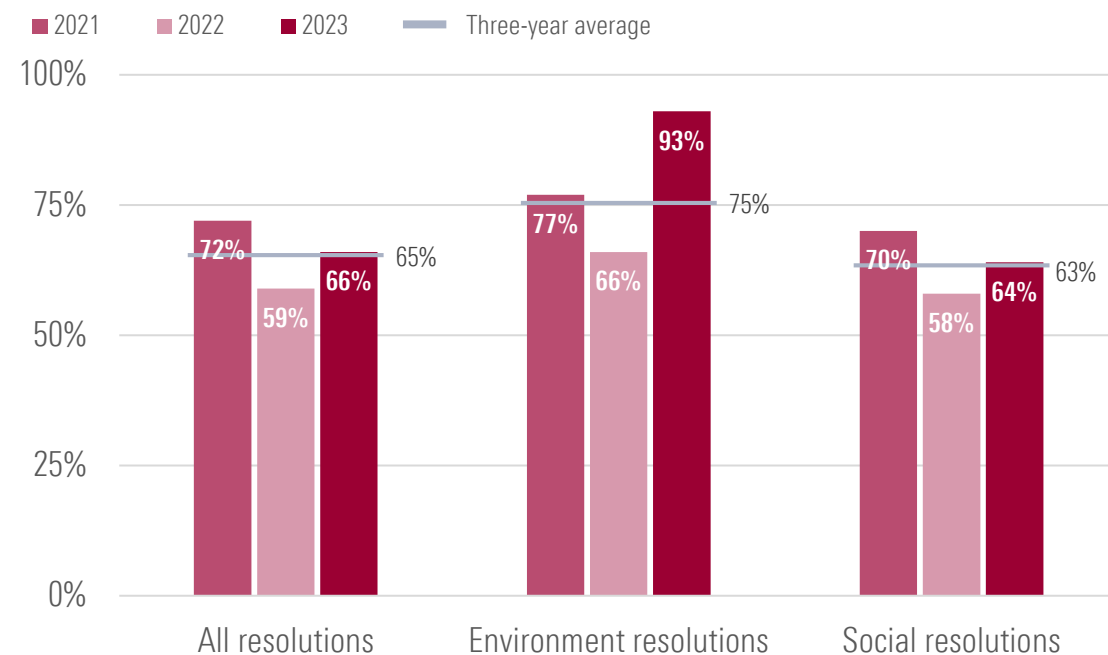
Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

State Street Global Advisors

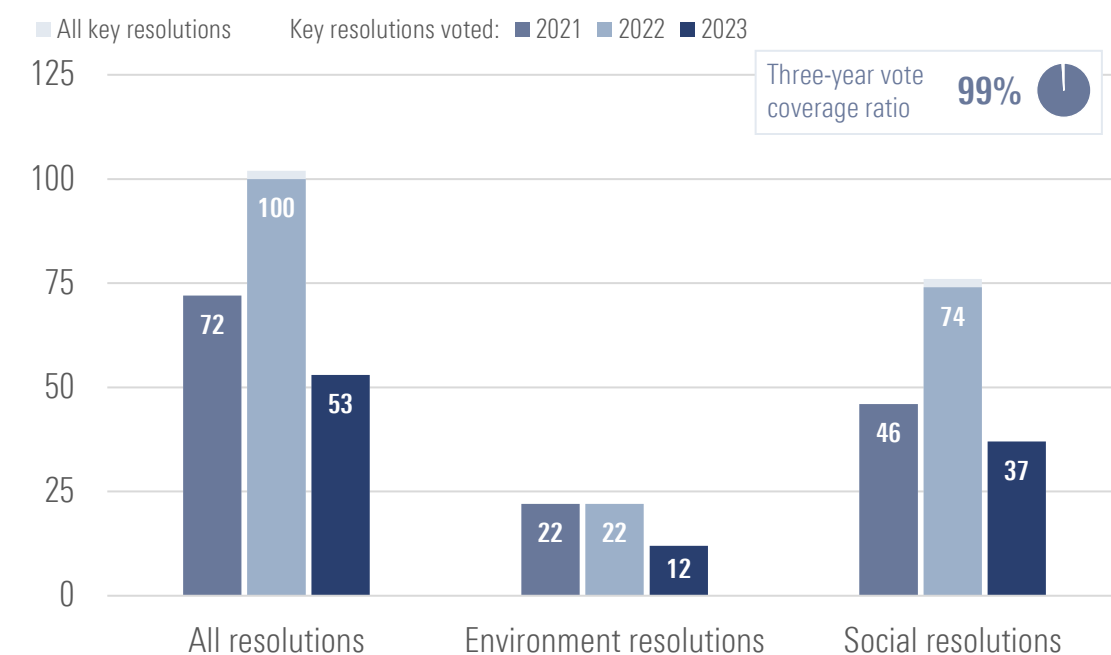
As one of the “Big Three” index managers, State Street sits among the top five managers in this study with over USD 1 trillion of worldwide equity fund assets. State Street’s support for key ESG resolutions has been consistently higher than the other top five managers (BlackRock, Capital Group, Fidelity, Vanguard), and 2023 was no exception. In fact, State Street’s support for key ESG resolutions rose slightly

in the 2023 proxy year to 66% from 59% in 2022. The firm’s support for environmental resolutions has generally exceeded that for social resolutions over the last three proxy years. In 2023, the gap widened — State Street’s support for the 12 environmental resolutions in 2023 was 93%, compared with 64% for the 37 social resolutions that year.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

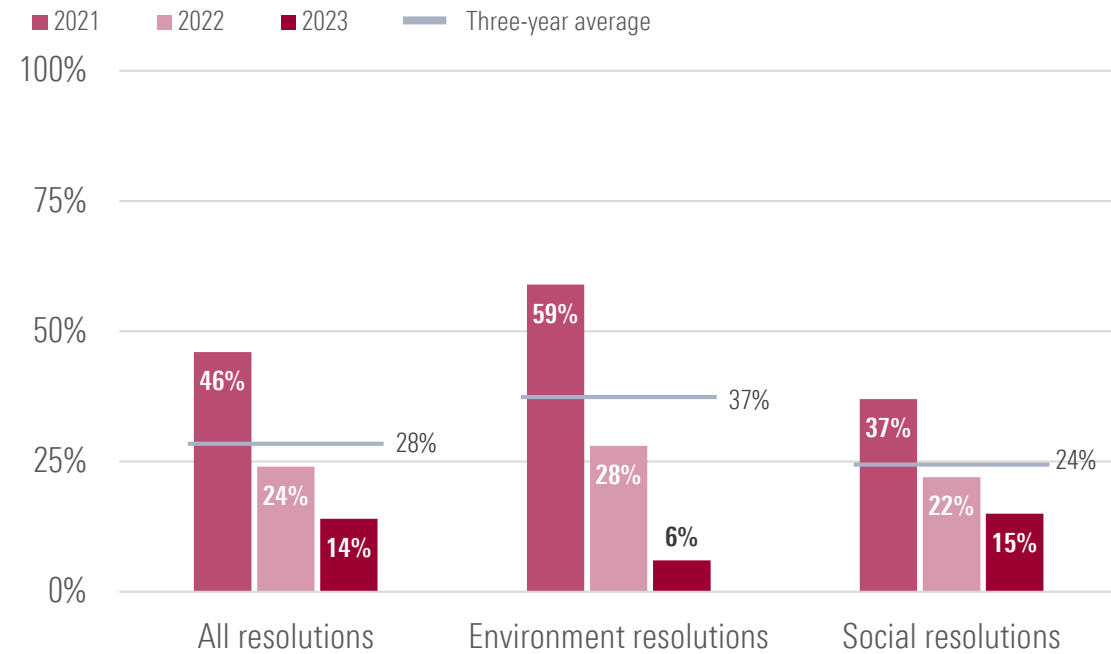


Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

T. Rowe Price

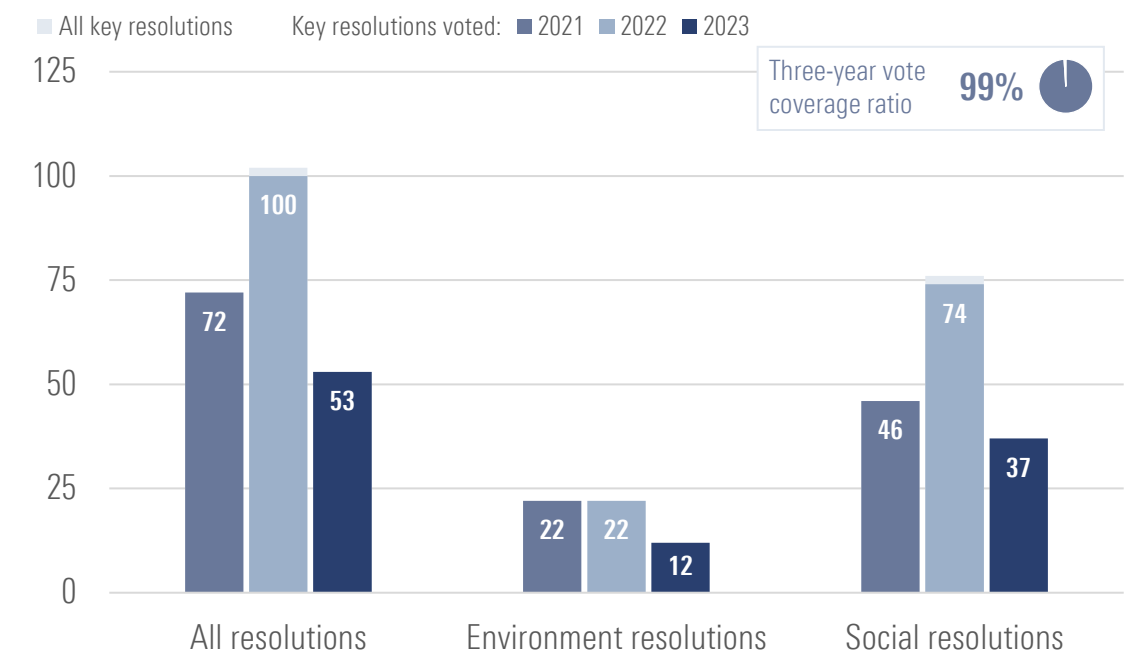
With over USD 500 billion of worldwide equity assets, T. Rowe Price ranks among the top 10 managers in this study. Like several other large managers, the firm’s support for key ESG resolutions peaked in 2021. T. Rowe Price’s support for key resolutions has dropped from 46% that year, to 24% in the 2022 proxy year, to only 14% in 2023. On average over the last three years, the firm’s support for key ESG resolutions stands 28%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Across those three years, T. Rowe Price’s support for environmental key resolutions (37% average) has exceeded that for social key resolutions (24% average). This trend reversed in 2023, when the firm supported 6% of environmental key resolutions and 15% of social ones. (These figures exclude “pass-through” votes under the firm’s new voting choice program and voting decisions taken by subadvisors to Vanguard funds.)

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



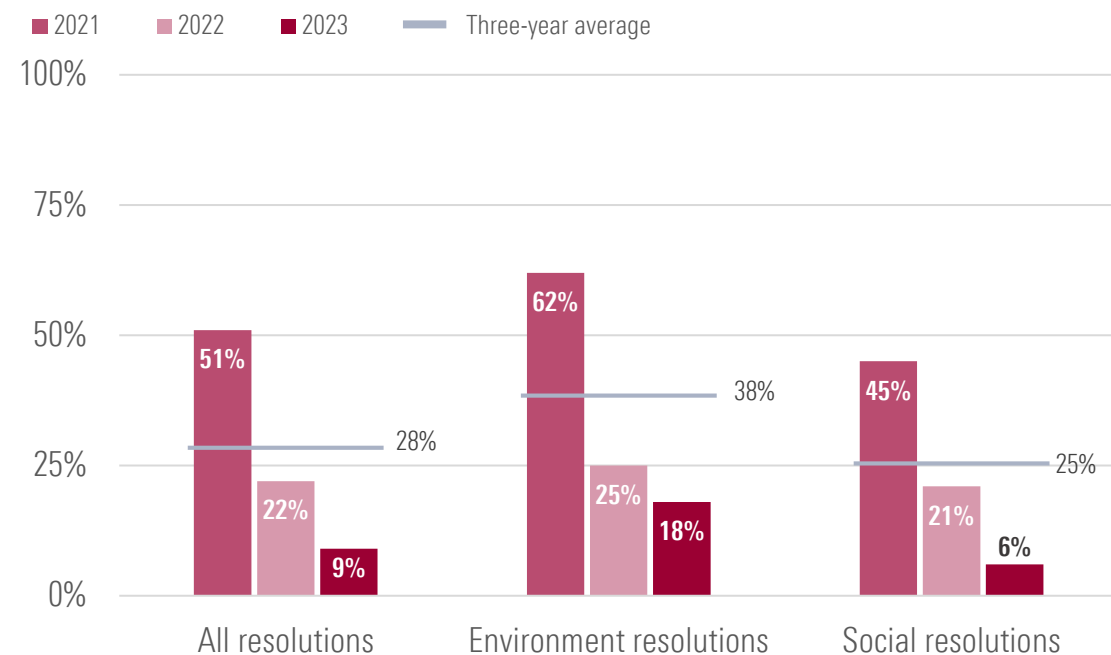
Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

Vanguard (excl. subadvised funds and pass-through votes)

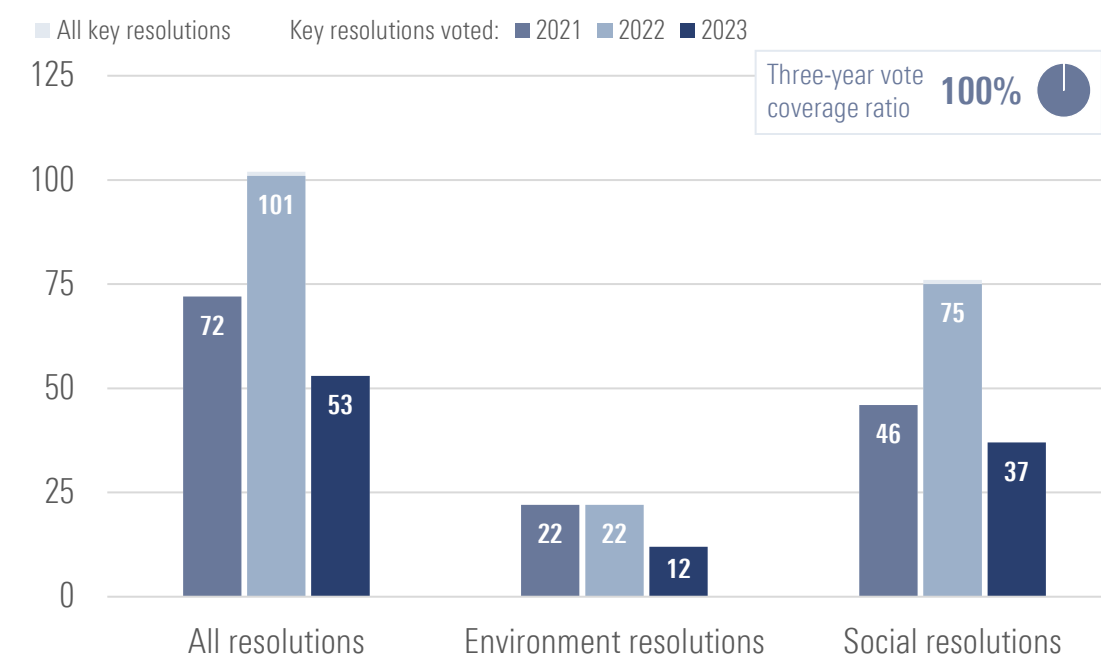
Vanguard’s USD 5.6 trillion of worldwide equity fund assets places it at the top of our ranking. It is also the number-three manager in Europe on this basis. Because of the firm’s very high proportion of assets in U.S. passive strategies, its vote coverage ratio for key ESG resolutions is very high—our records have captured votes for 226 out of the 227 resolutions in the last three proxy years.

The firm’s support for key ESG resolutions has dropped sharply in the last two proxy years, from 51% in 2021, to 22% in 2022, and to just 9% in 2023. Like most of the U.S. managers in this study, Vanguard’s support for environmental key resolutions is higher than for social ones in 2023. However, at 18% and 6%, respectively, the firm’s support for key resolutions in both categories in 2023 is very low in absolute terms.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Morningstar proxy-voting database, asset managers’ stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at fund level for proxy years ended June 30.

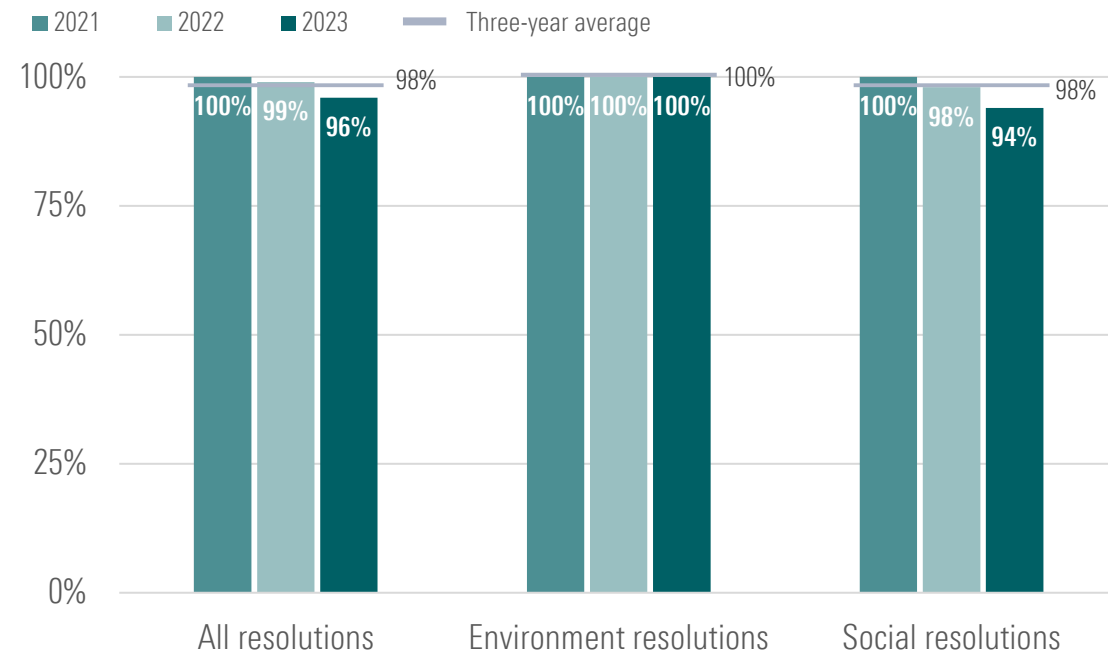
Appendix 4: Manager Voting Records, Europe

Voting records on key ESG resolutions for 15 of the largest European managers of equity fund assets and for Norges Bank Investment Management.

Allianz Global Investors

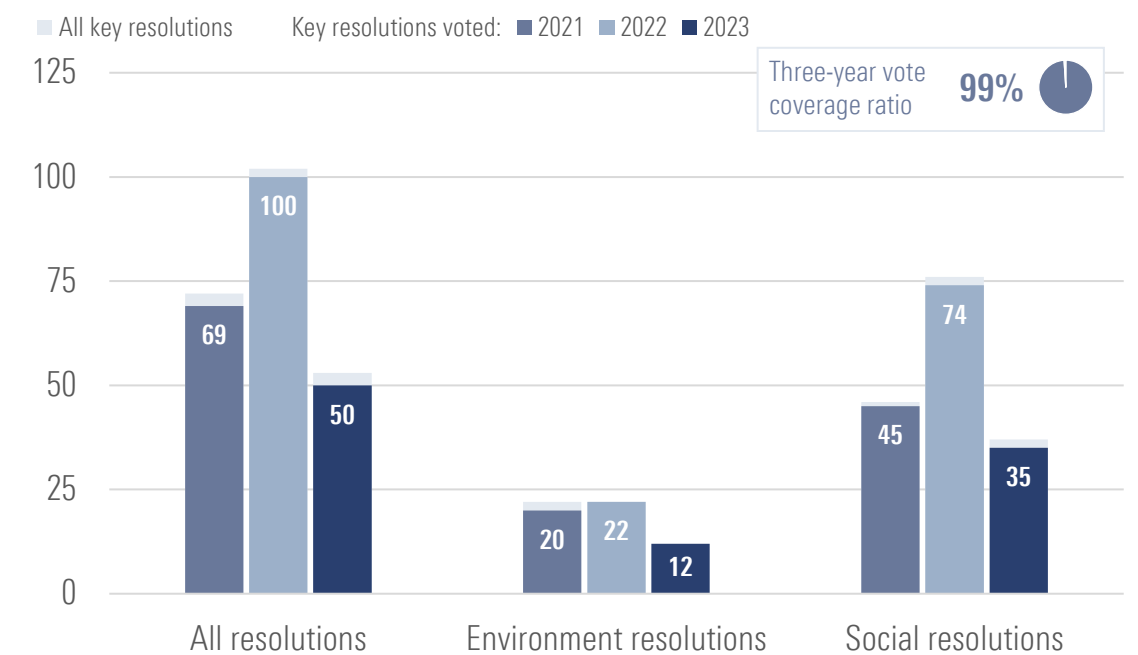
Allianz GI has over USD 65 billion of worldwide equity fund assets, according to Morningstar Direct, placing the firm among the global top 50. It also sits among the top 25 European equity managers. Over the last three proxy years, Allianz GI backed 98% of U.S. key ESG resolutions, having voted on 99% of the 227 key resolutions identified during that period.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Allianz GI’s support for key ESG resolutions has fallen slightly from 100% in the 2021 proxy year to a still very high 96% in the 2023 proxy year. The firm has supported every environmental key resolution it voted on in the last three proxy years. However, the firm abstained on three social resolutions, lowering its support level in the 2022 and 2023 proxy years.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



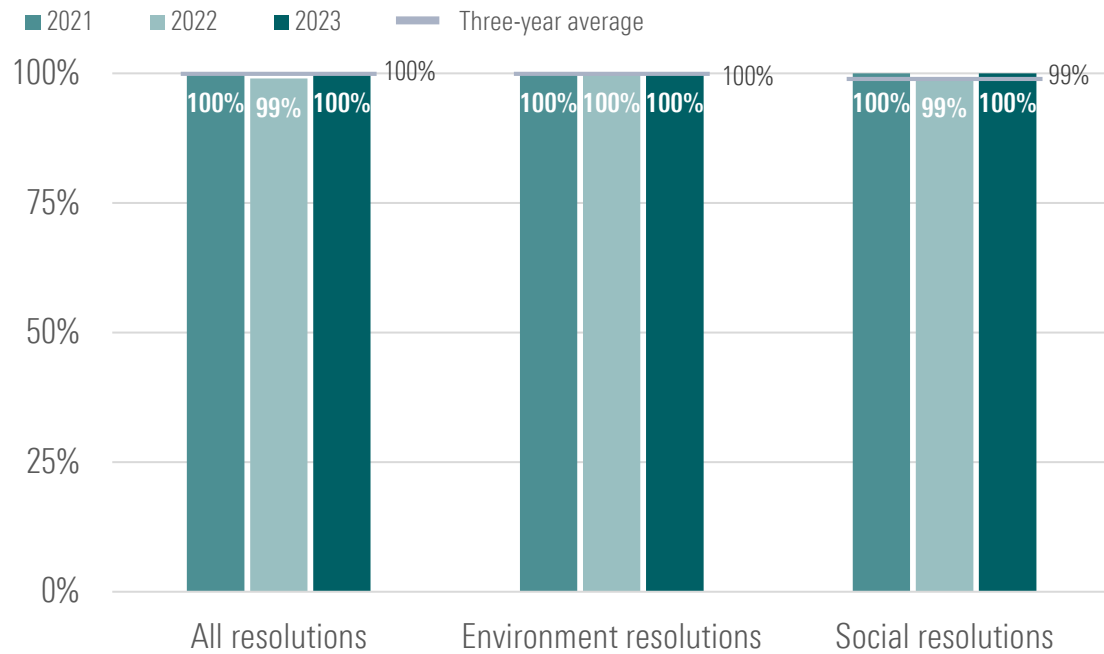
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Amundi (excl. Pioneer U.S. Funds)

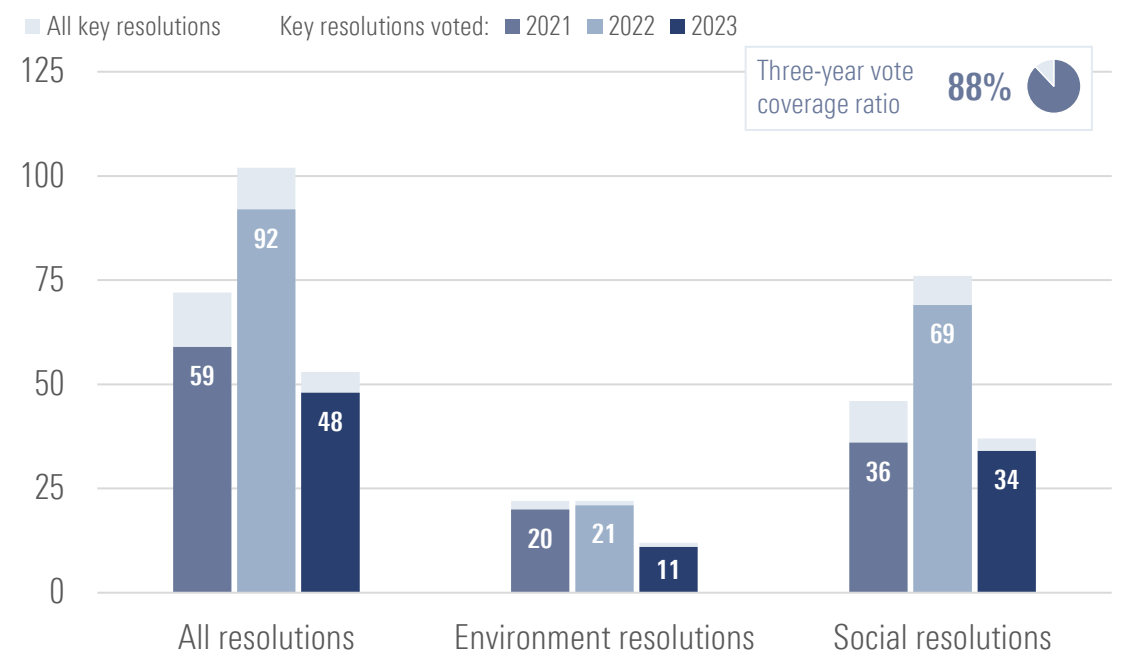
Amundi—Europe’s largest asset manager—stands among the top 15 managers of equity funds worldwide with over USD 250 million of equity fund assets. It is second place in European equity funds behind BlackRock. Overall, Amundi has displayed near-total support for key ESG resolutions over the last three proxy years.

The firm voted against only one such resolution, which requested lobbying disclosures at Twitter in the 2022 proxy year. Amundi’s three-year vote coverage ratio of 88% places it just above the average for the 15 European managers in this study (86%).

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



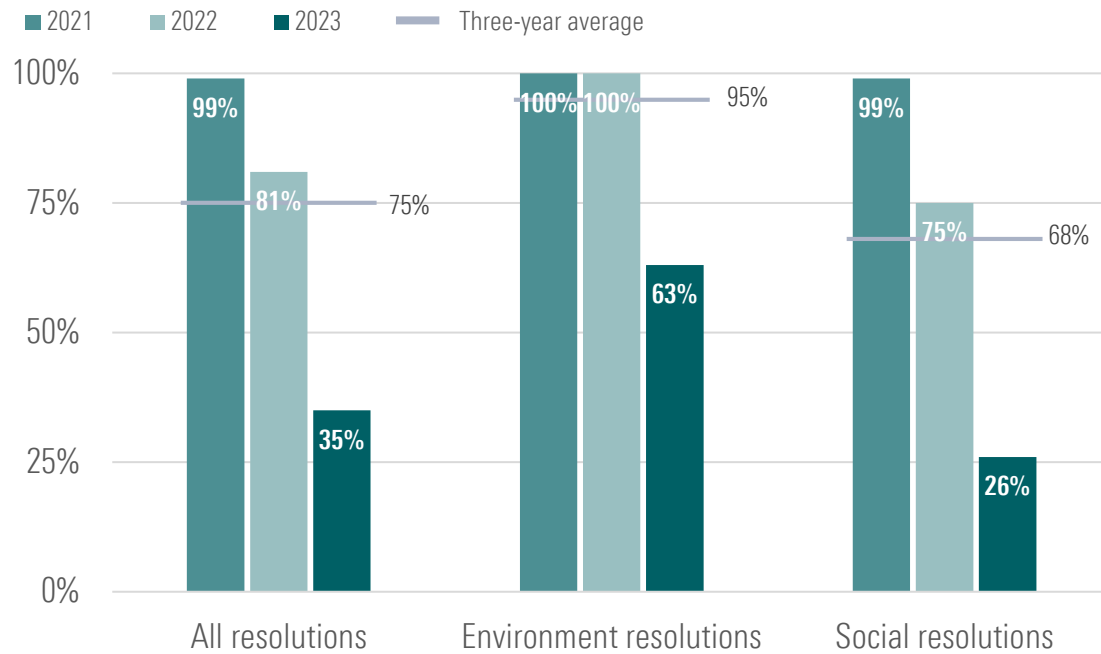
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Amundi (Pioneer U.S. Funds)

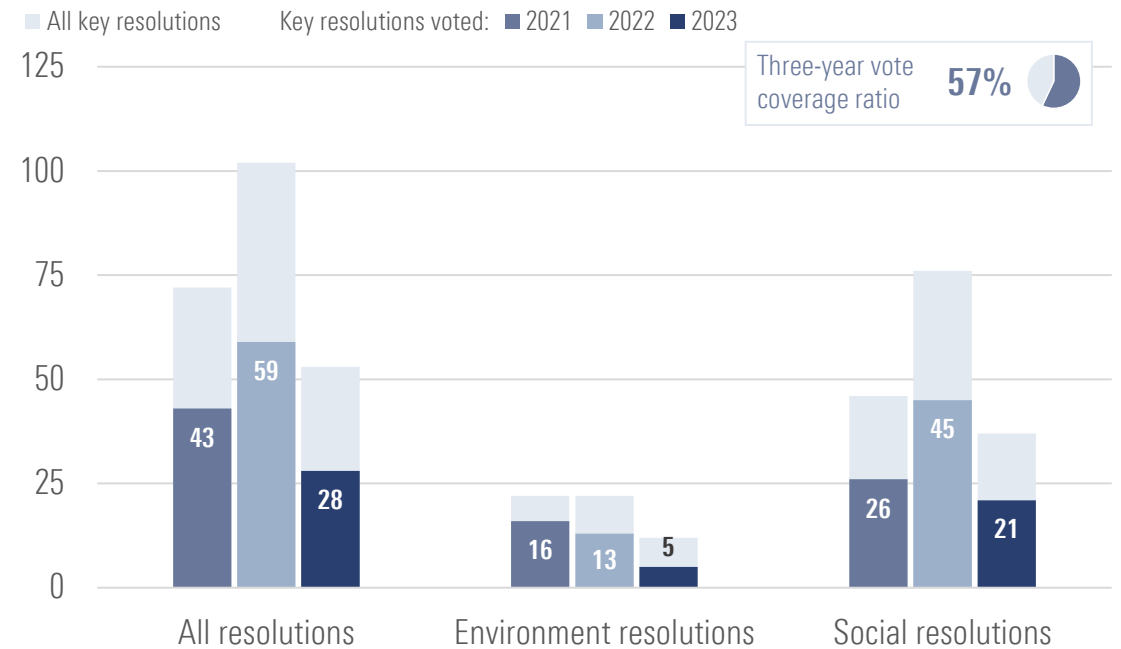
It is noteworthy that Amundi’s Pioneer-branded funds in the U.S. have a voting record that has significantly diverged from the rest of the firm in the last two proxy years. Votes by these funds are cast using a separate local voting policy.

The Pioneer funds’ support for key ESG resolutions plummeted from 99% in the 2021 proxy year to 81% in 2022 and just 35% in 2023. Like many of the U.S. firms in this study, the funds’ support for environmental resolutions has exceeded that for social proposals.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Aviva Investors

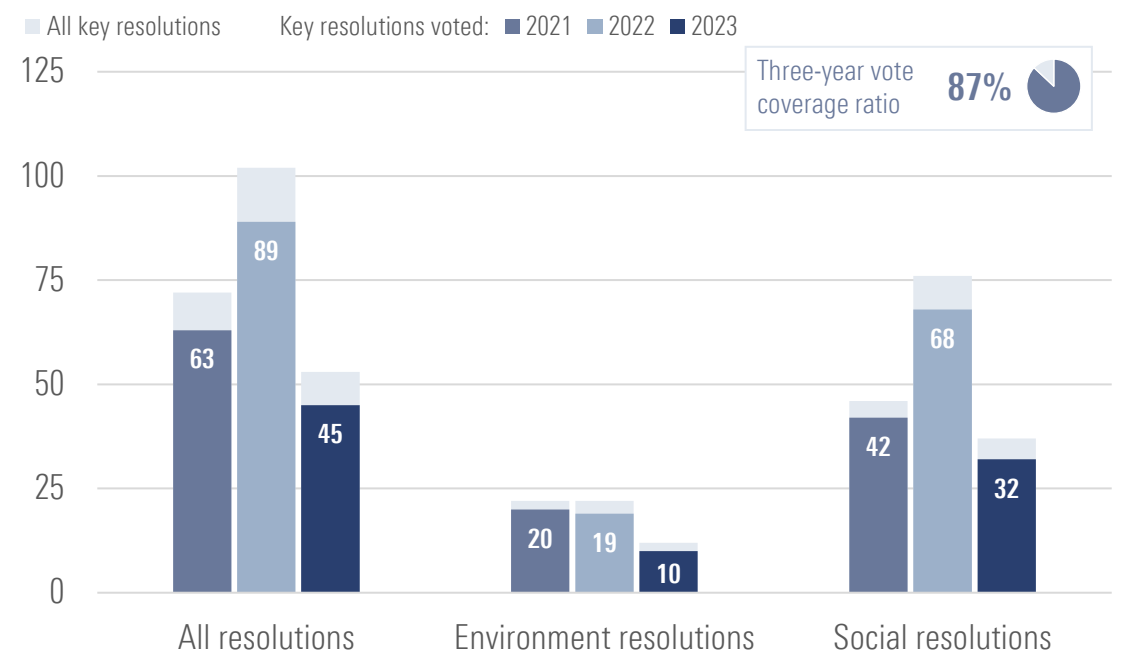
Aviva Investors features among the top 20 European equity managers by fund assets, and just outside the global top 50. According to Morningstar Direct, it has USD 64 billion of worldwide equity fund assets.

The firm supported a very high 98% of the 197 key ESG resolutions it voted on in the last three proxy years, opposing only three proposals on the grounds that they made an insufficiently strong case for management action.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



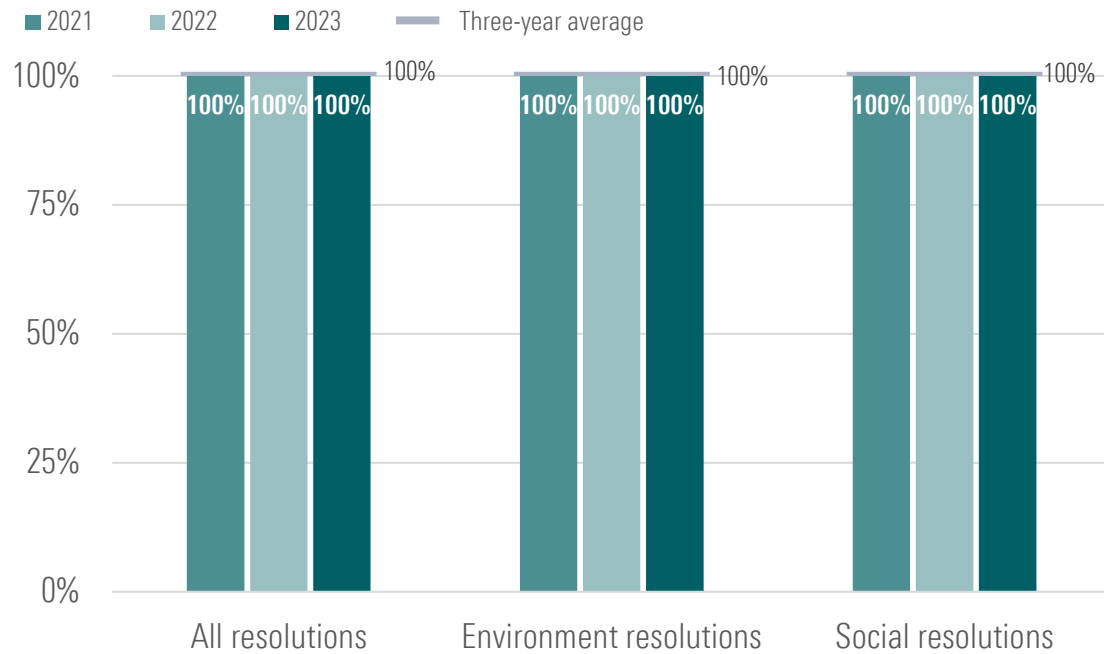
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

BNP Paribas Asset Management

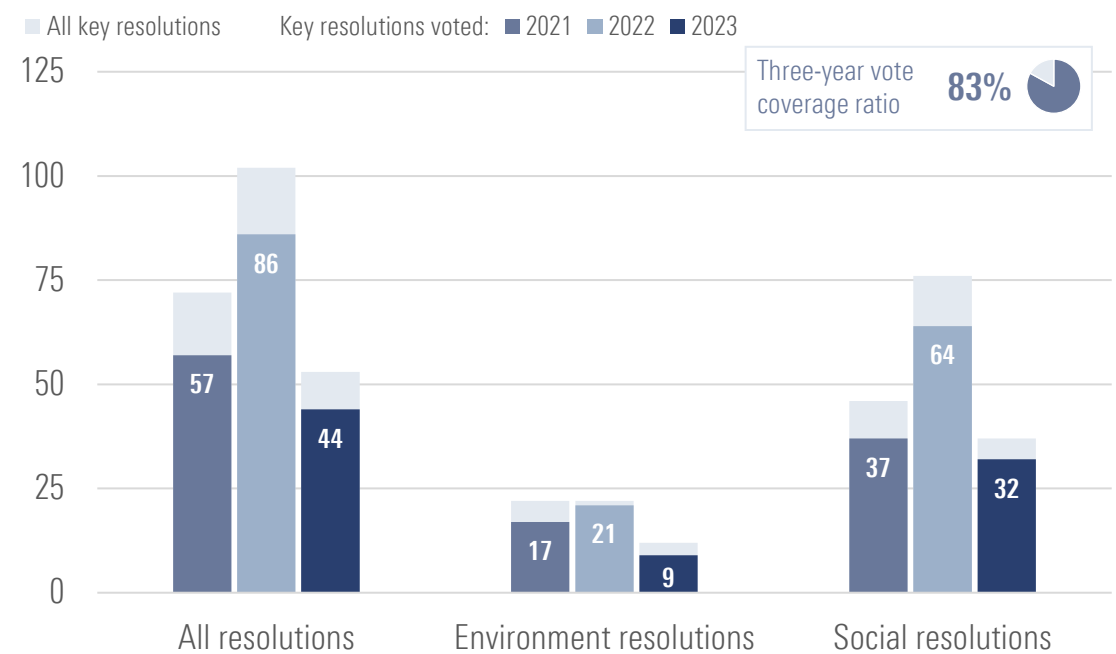
BNP Paribas Asset Management—with close to USD 80 billion of worldwide equity fund assets, according to Morningstar Direct—features among the global top 50 equity managers and in the European top 20.

Over the last three proxy years, the firm voted on 187 out of 227 key ESG resolutions, giving it a vote coverage ratio of 83%. BNP Paribas supported all 187 resolutions.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Credit Suisse Asset Management

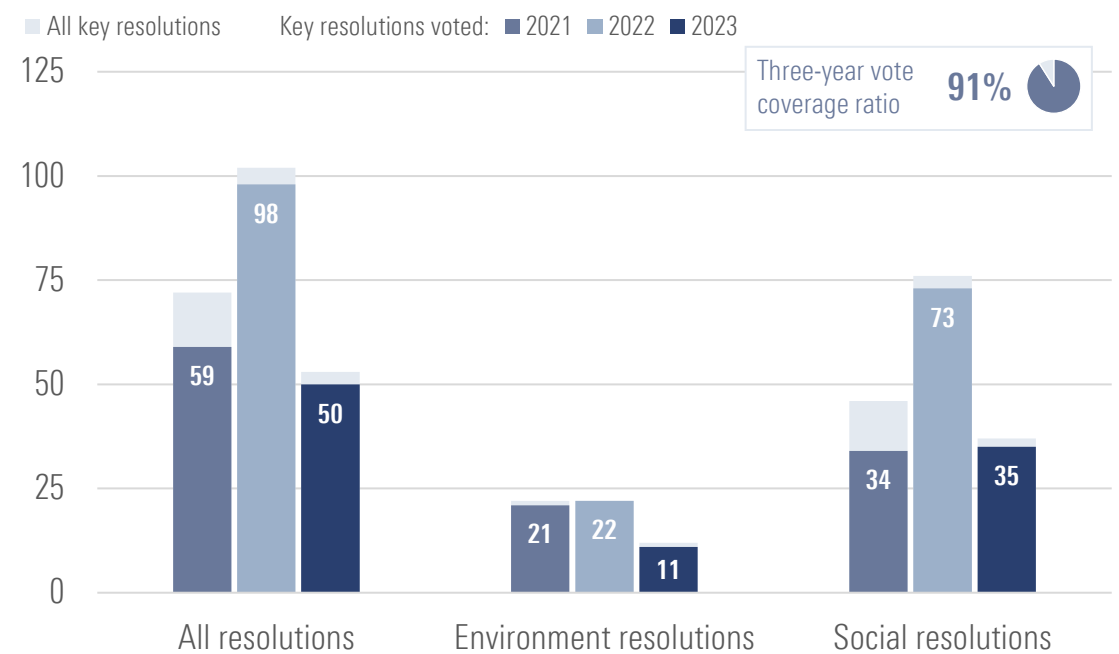
Credit Suisse Asset Management is in the process of its integration with UBS. However, at present, it stands as a global top 40 equity manager and among the European top 10, with over USD 100 billion of worldwide equity fund assets, according to Morningstar Direct.

The firm voted on 91% of key ESG resolutions over the last three years, supporting all except one of the 207 resolutions it voted. The single exception was an abstention on a proposal addressing lobbying activities at Gilead Sciences in 2022.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



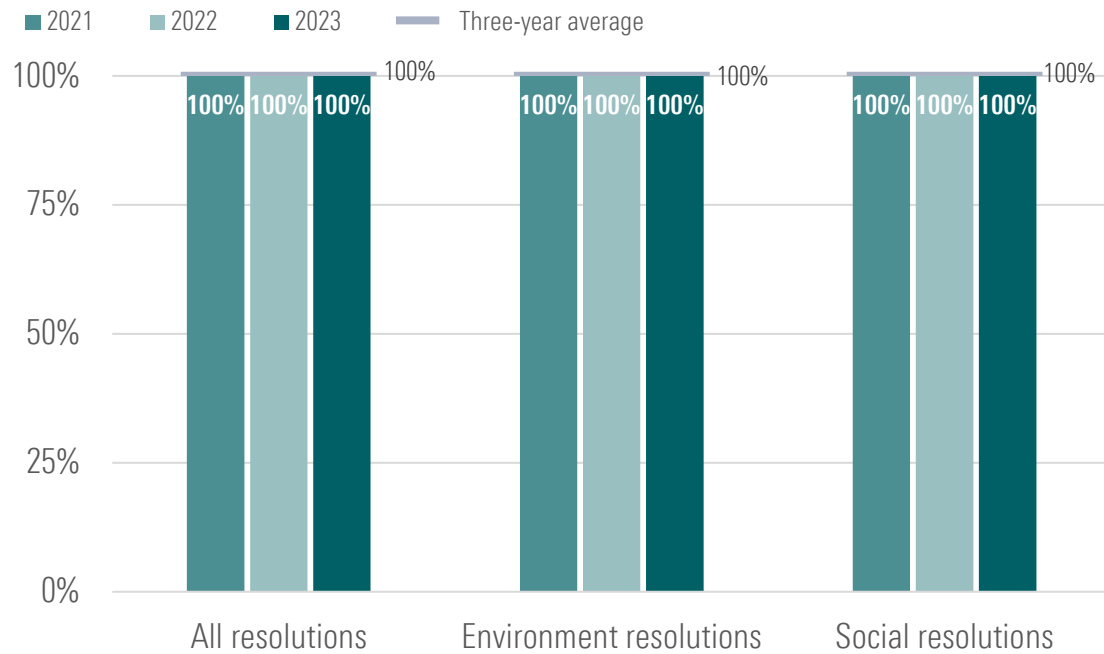
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

DWS (incl. Xtrackers)

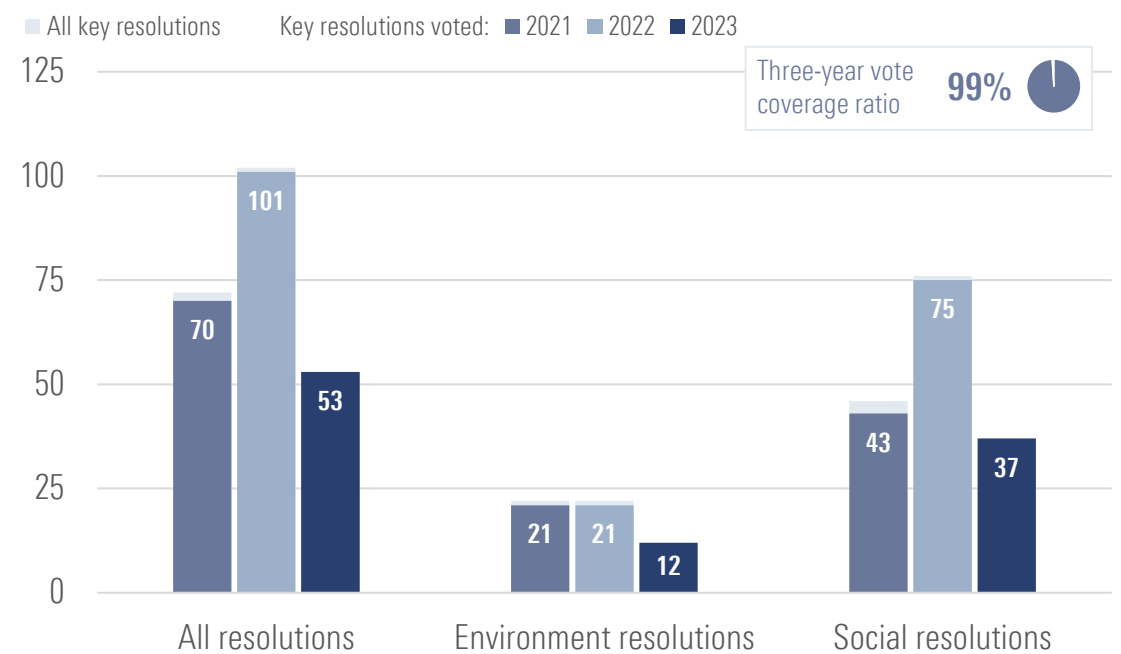
DWS manages over USD 250 billion of worldwide equity fund assets, according to Morningstar Direct. This places DWS among the top 20 equity managers globally. It also features among the European top five equity managers.

Unlike for other European managers, our data for DWS is based on the firm’s form NP-X filings in the U.S. This data shows that DWS supported all key ESG resolutions in the last three proxy years, with a vote coverage ratio of 99%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



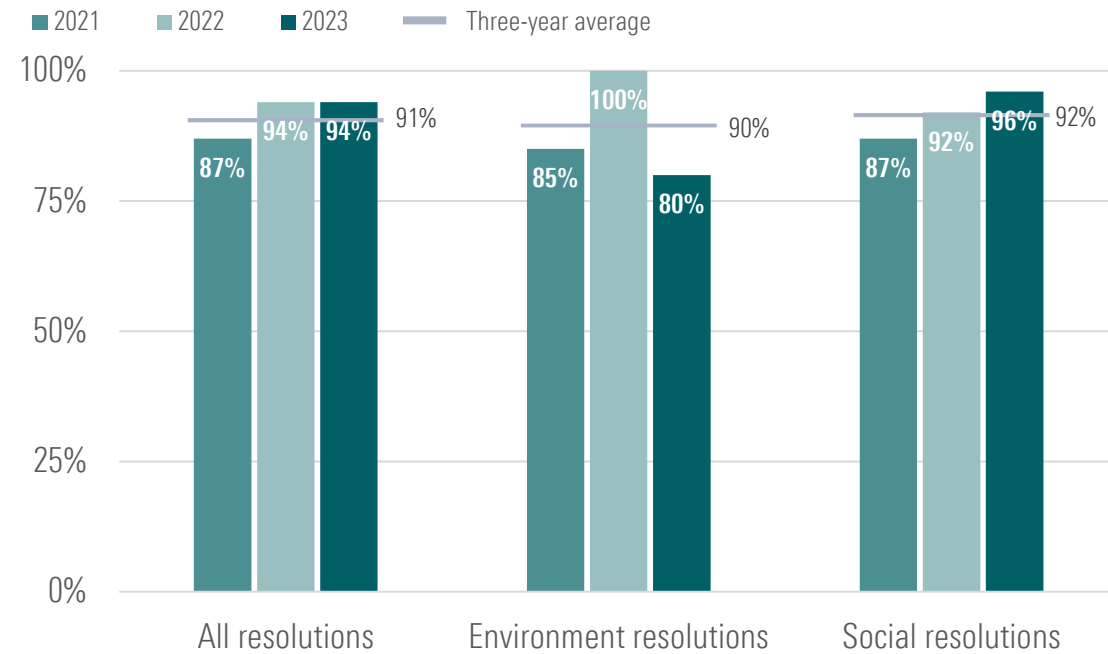
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Fidelity International

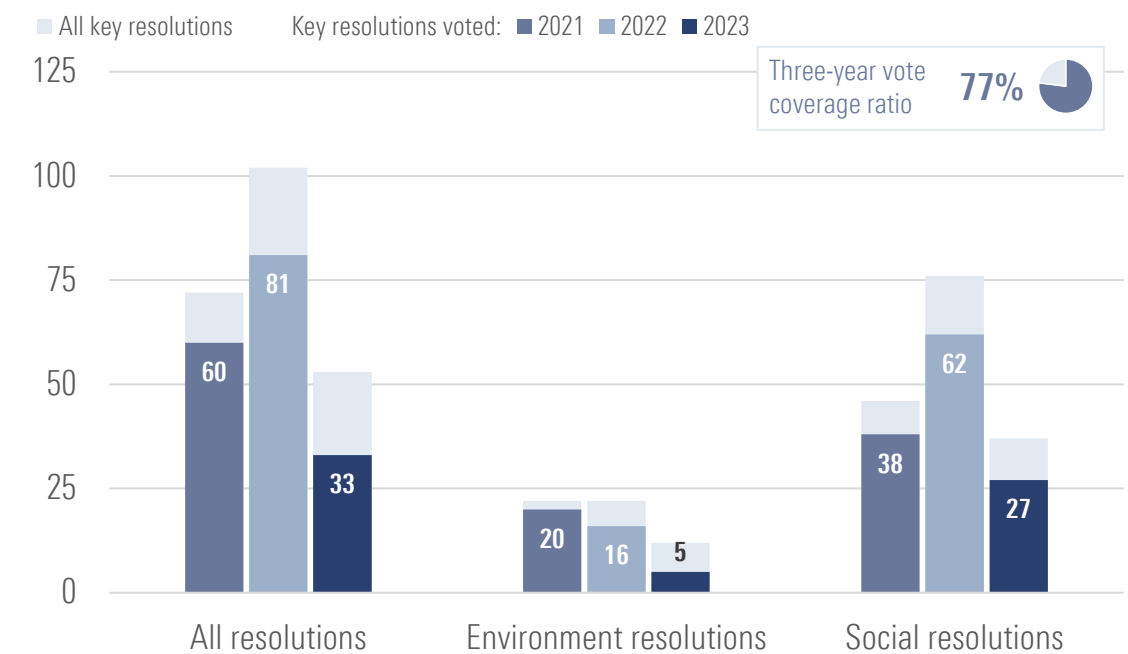
Fidelity International features among the global top 20 equity managers, with over USD 250 billion of worldwide equity fund assets, according to Morningstar Direct. The firm also features among the top 10 asset managers in Europe. Like other European managers, Fidelity International’s support for key ESG resolutions is consistently high.

However, the firm’s three-year average support for key proposals stands at 91%, noticeably lower than the 98% average for the 15 European managers in this study. Fidelity International backed 31 of the 33 key resolutions it voted on in 2023 (94%). The firm voted on 77% of the 227 key resolutions in the last three years.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



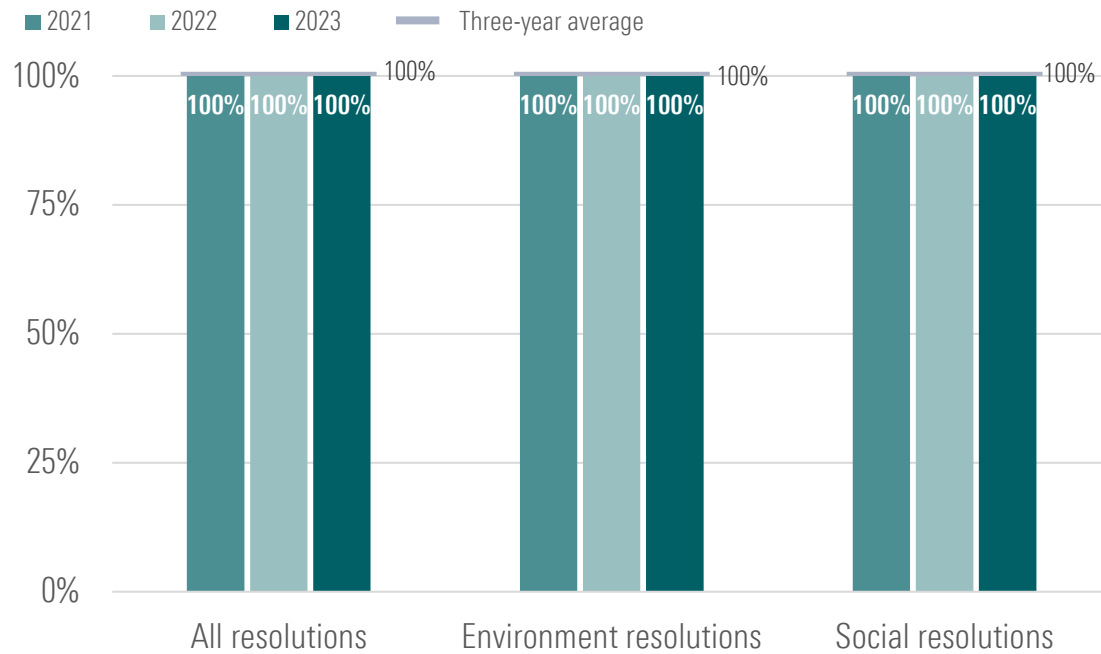
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

HSBC Asset Management

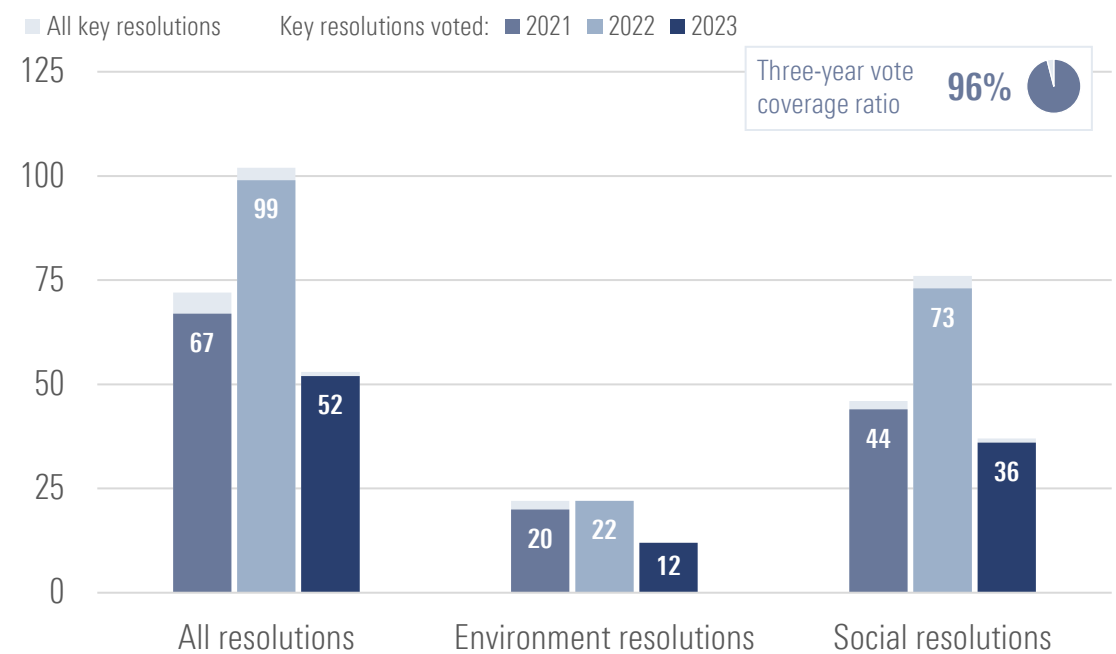
HSBC places among the top 20 equity fund managers in Europe and the top 50 globally, according to data from Morningstar Direct. It has just over USD 85 billion of worldwide equity fund assets. The firm’s support for key ESG resolutions is exceptionally high,

clocking in at 100% in each of the last three proxy years. (This includes one split vote we identified in the 2022 proxy year.) HSBC voted on 218 of the 227 key ESG resolutions in the last three years, giving it a vote coverage ratio of 96%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Legal & General Investment Management

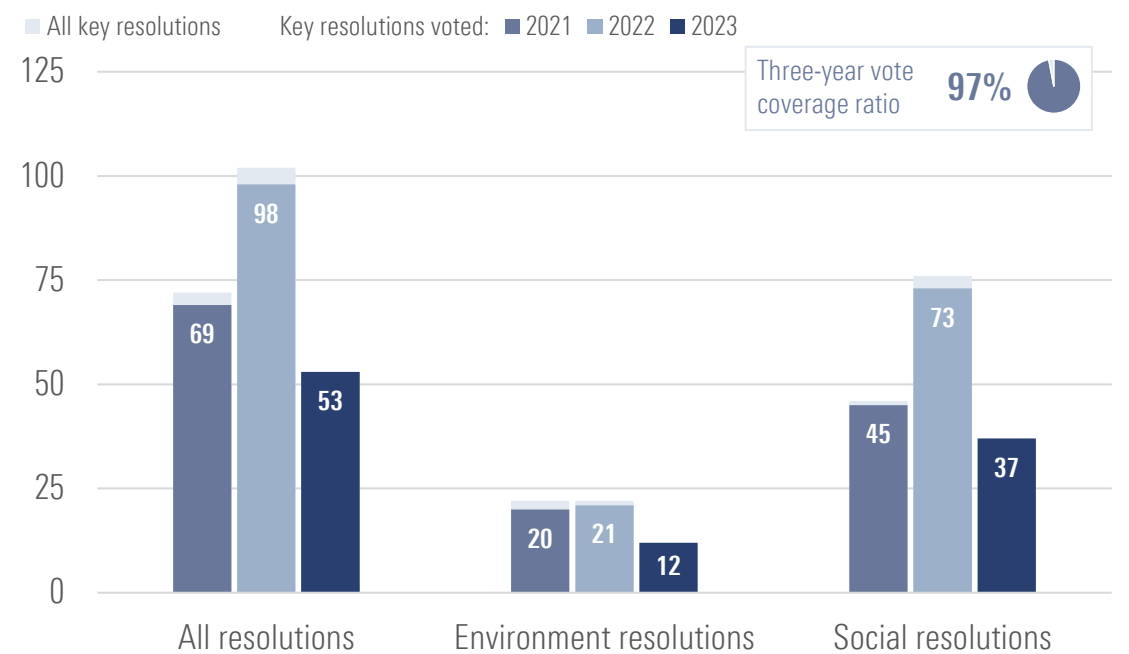
LGIM’s USD 50 billion of worldwide equity fund assets places it within the global top 50 equity managers. It also ranks within the top 20 equity managers in Europe. LGIM’s strong emphasis on sustainability matters is reflected in its voting record. Over the last three years, the firm has supported 99% of the key ESG resolutions it voted on.

LGIM’s three-year vote coverage ratio stands at 97%, reflecting the firm’s focus on passive funds. LGIM supported 100% of the environmental key resolutions it voted on in the last three proxy years. Its average support for social key resolutions is slightly lower at 99%, having voted against two proposals in the 2022 proxy year.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



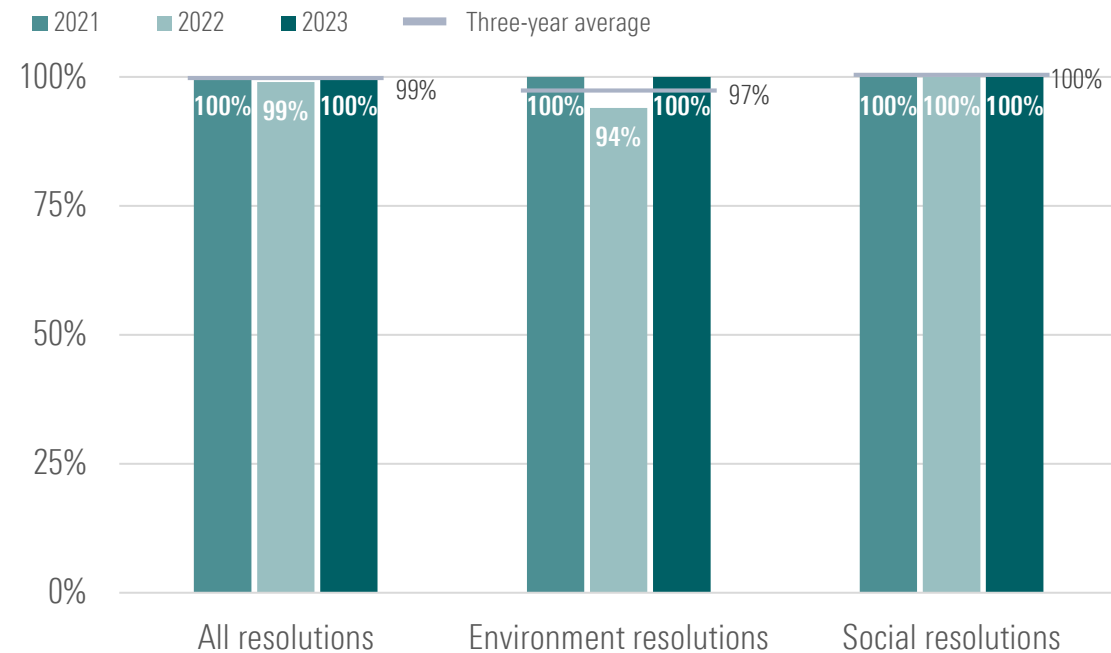
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Nordea Asset Management

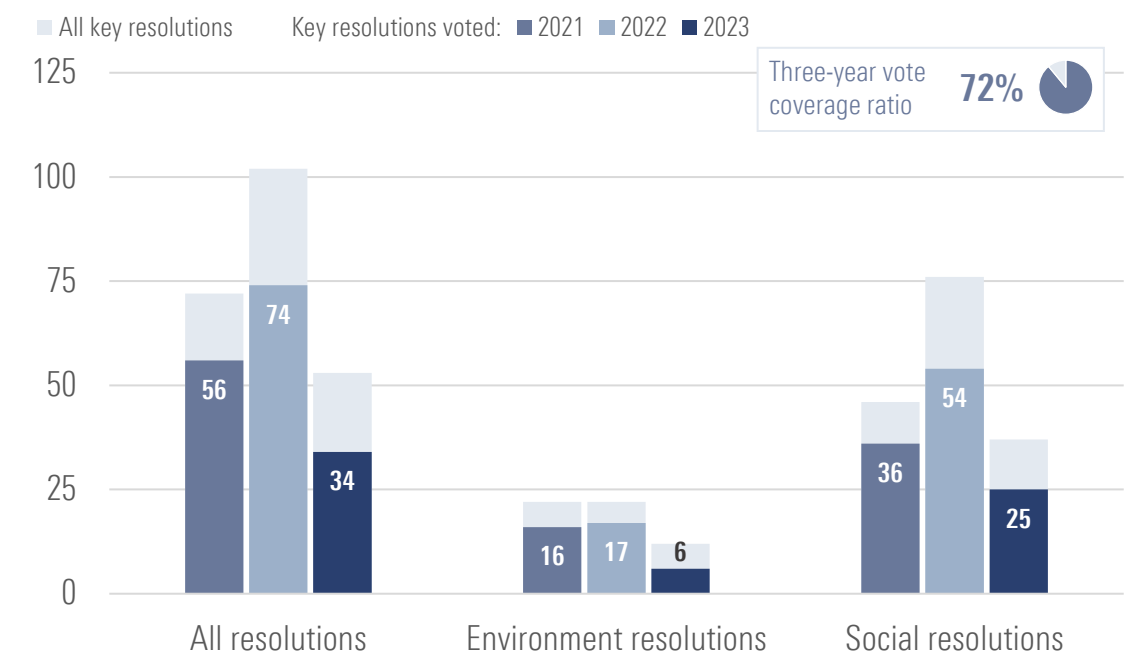
With close to USD 100 billion of equity fund assets, Nordea Asset Management ranks among the global top 40 equity managers. It also sits within the European top 15 on this measure. Nordea’s average support for key ESG resolutions over the last three proxy years stands at 99%.

The firm voted on 164 out of 227 key ESG resolutions over the three-year period, giving it a vote coverage ratio of 72%. Our analysis reveals that Nordea only voted against one of those 164 resolutions, a climate-related lobbying proposal at Alphabet in 2022.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



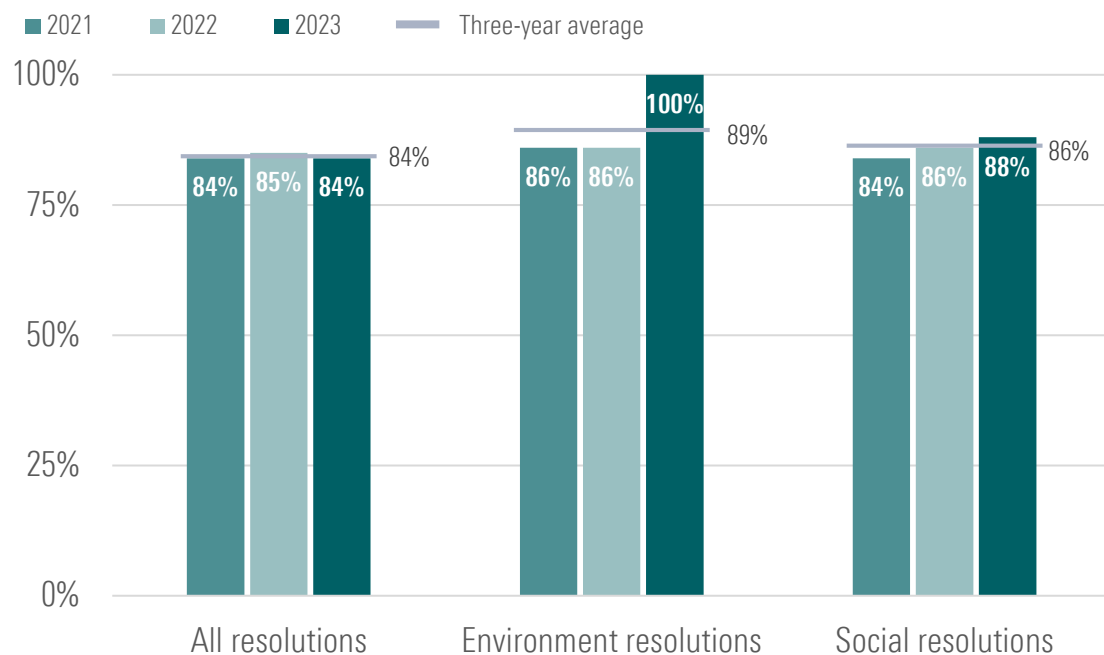
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Norges Bank Investment Management

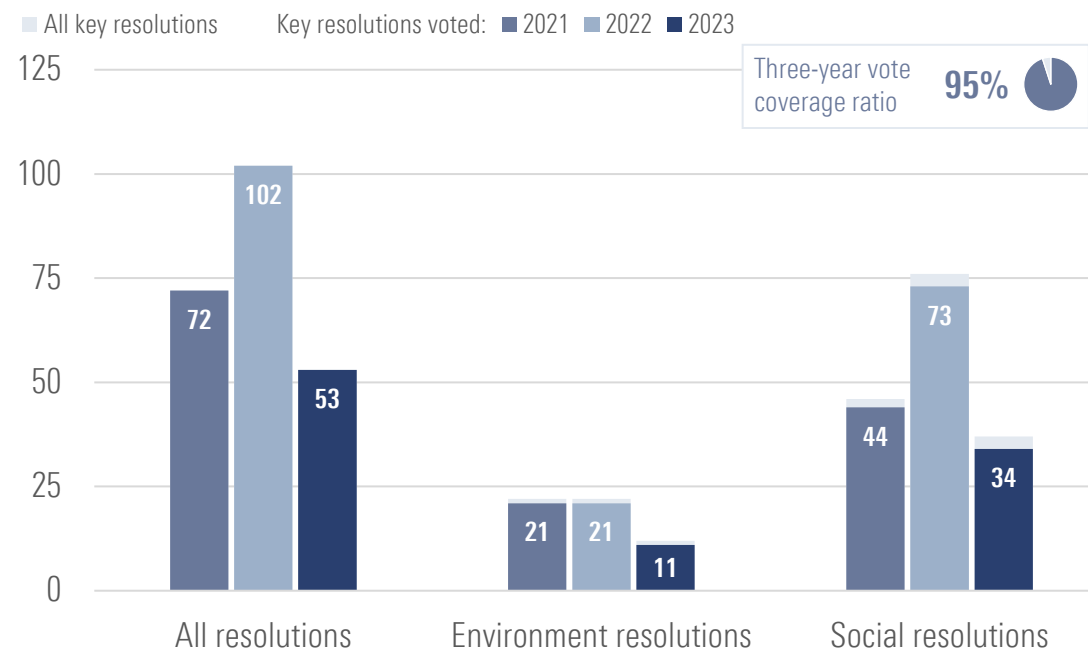
As manager of the Norwegian sovereign wealth fund, NBIM does not provide open-end funds or ETFs, but it is the largest institutional shareholder in Europe and is frequently a top 10 shareholder of many listed companies worldwide, including the U.S. Because of its size and influence, NBIM’s voting decisions are often important in determining whether ESG-focused shareholder proposals are successful, as [recent research](#) shows.

Over the last three proxy years, NBIM has supported fewer key ESG resolutions than the average for large European managers. Having voted on 95% of the 227 key resolutions, NBIM supported 84% of these overall, varying little from year to year. It is noteworthy that, following a [change in voting policy](#) in the 2023 proxy year, NBIM’s support for environmental key resolutions increased from 86% in 2022 to 100% in 2023.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



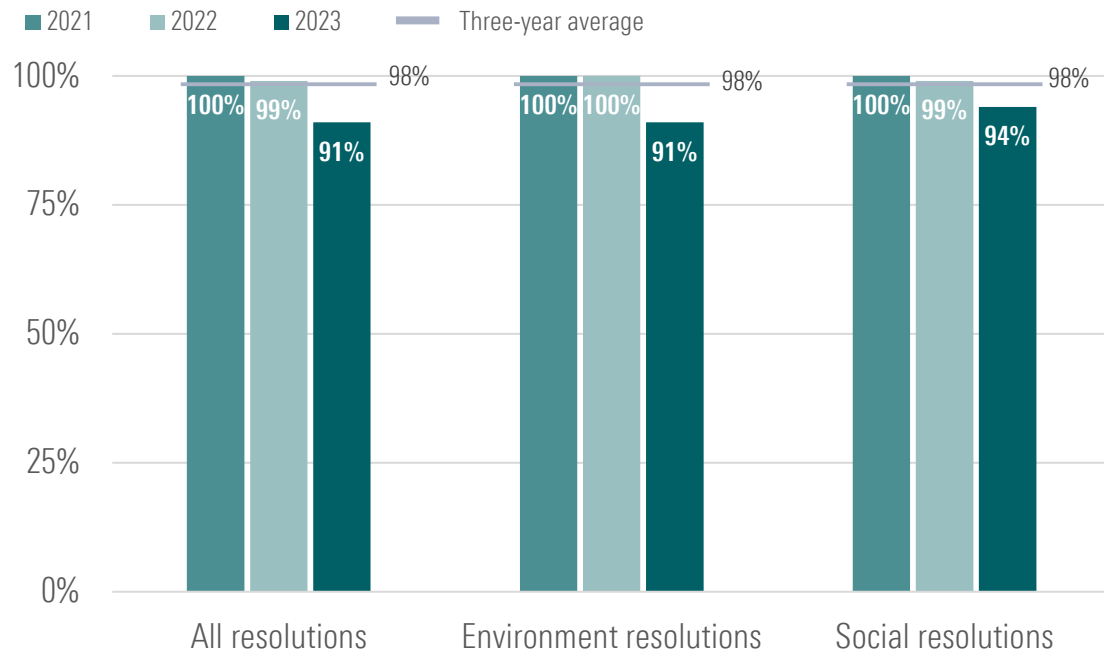
Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Pictet Asset Management

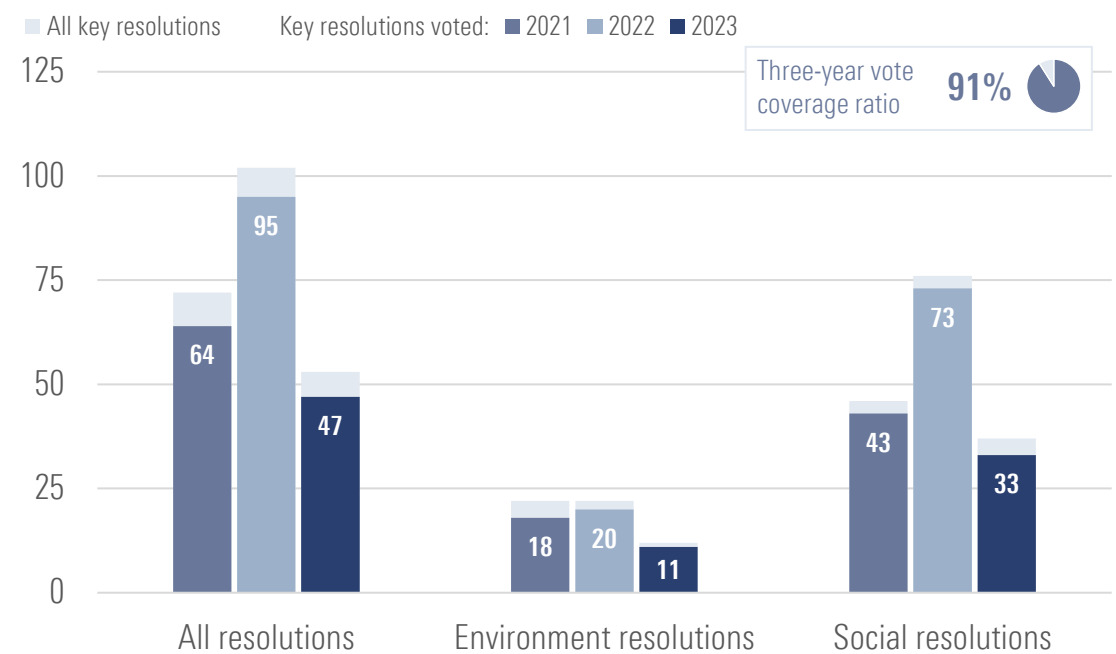
With over USD 110 billion of worldwide equity fund assets, Pictet Asset Management ranks among the top 40 equity fund managers globally. It also places among the top 10 equity managers in Europe. Like all the other large European managers in this study, Pictet’s support for key ESG resolutions is consistently very high. However, Pictet is the

only European firm whose support for key resolutions trended down in the 2023 proxy year, albeit still at a very high level. The firm’s support for key resolutions fell to 91% in 2023 from 99% the previous year. However, the firm’s public disclosures do explain the rationale for each of its five votes “Against” key resolutions in the last two years.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Robeco

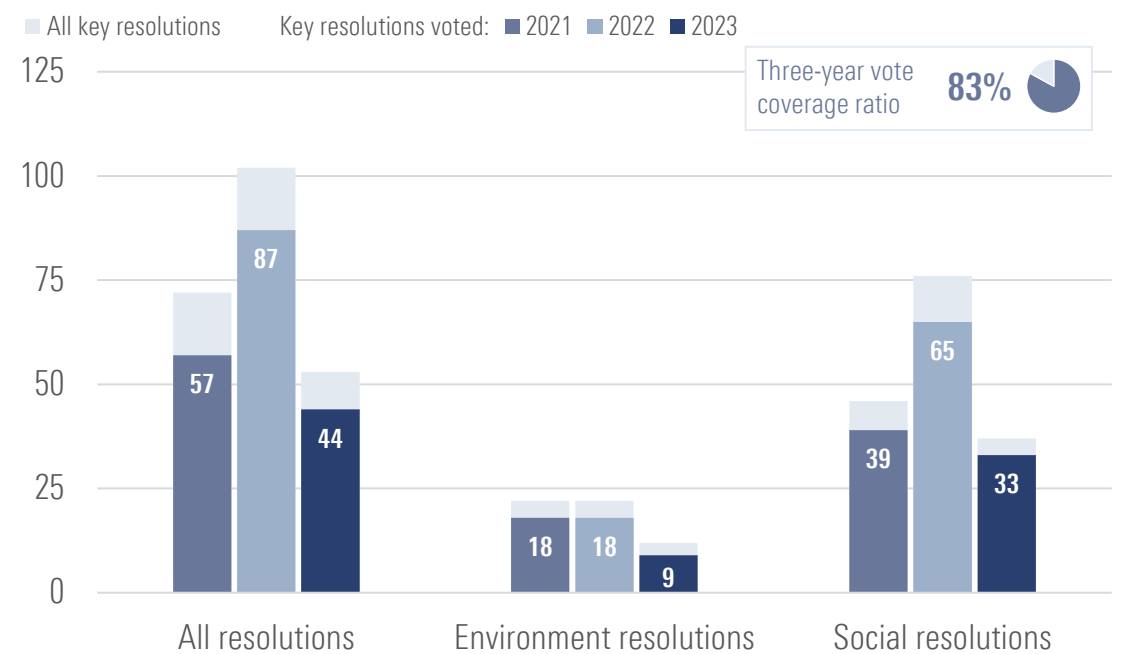
Robeco’s USD 50 billion of worldwide equity funds places it among the top 75 equity managers globally, according to Morningstar Direct. It also ranks among the top 30 equity managers in Europe. The firm’s focus on sustainability is core to its overall investment offering, and this is reflected in its voting record for key ESG resolutions.

Robeco has shown 100% support for all the key ESG resolutions it voted on over the last three years. The firm voted on 188 of the 227 key ESG resolutions, giving it a vote coverage ratio of 83%.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Schroders

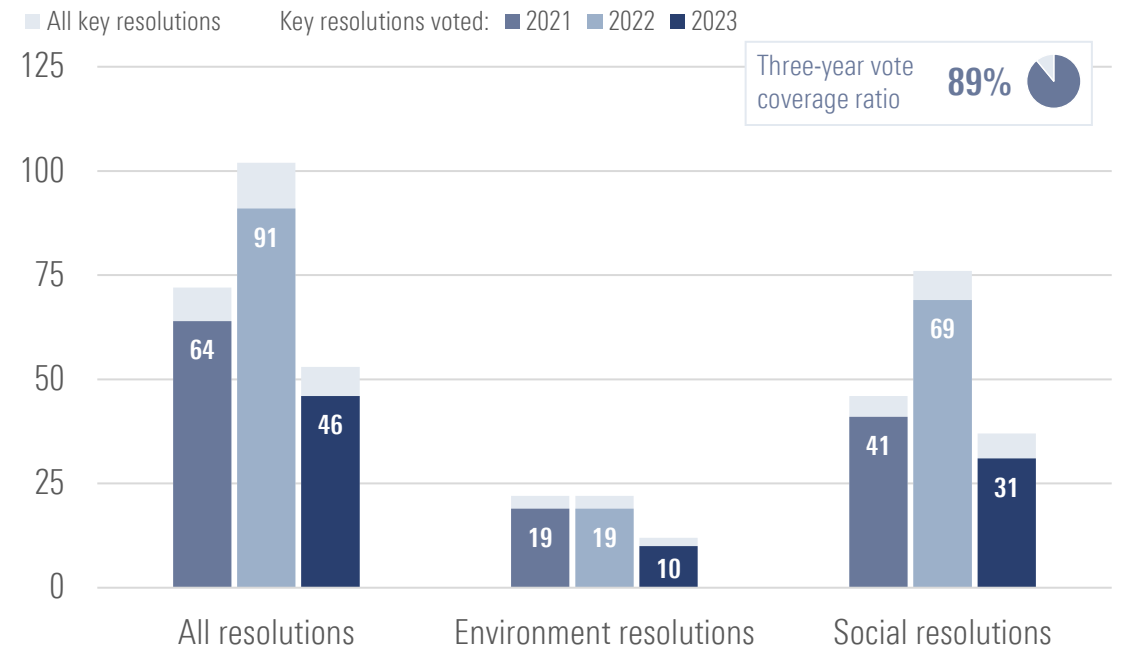
Schroders runs over USD 100 billion of worldwide equity fund assets, placing it among the top 40 equity managers globally, according to Morningstar Direct. It is also among the top 15 equity managers in Europe. Schroders' support for key ESG resolutions has been consistently very high, averaging 97% over the last three proxy years.

In the 2023 proxy year, the firm supported all 10 environmental key resolutions it voted on. The same year, Schroders' support for social key resolutions fell slightly to 94% from 99% in 2022. The firm voted on 89% of the 227 key ESG resolutions in the last three years.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

Swedbank

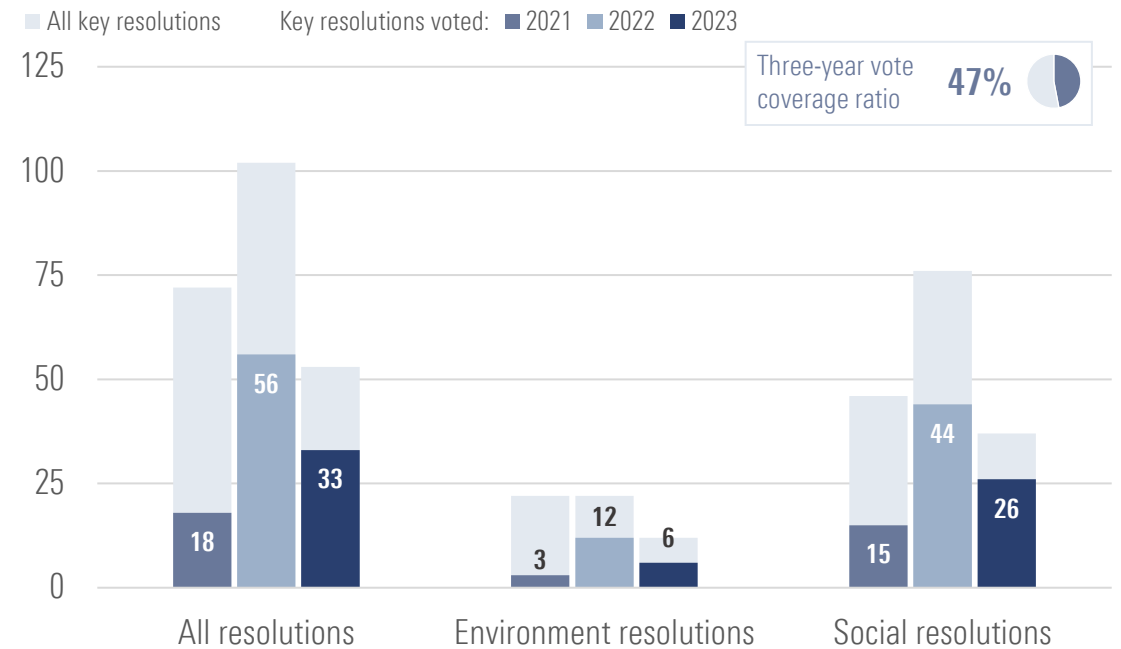
Swedbank’s USD 98 billion of worldwide equity fund assets places it in the European top 10 and the global top 40 asset managers on this measure. According to our research, the firm voted on 107 out of 227 U.S. key ESG resolutions in the last three proxy years — a 47% vote coverage.

Swedbank supported at least 96% of those resolutions over the three-year period. However, the firm’s support for key ESG resolutions has recently inched upward even from this high level. In 2023, the firm voted on 33 out of 53 key resolutions (62%), voting “For” all of them.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Number of Key ESG Resolutions Voted, 2021–23 Proxy Years

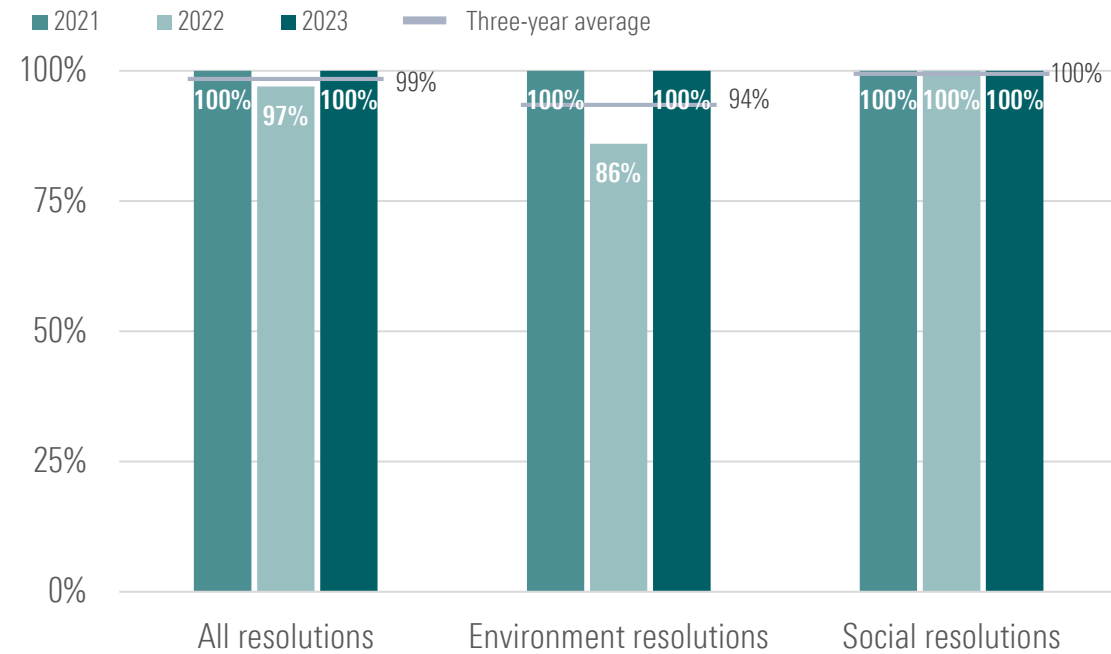


Source: Asset manager’s stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

UBS Asset Management

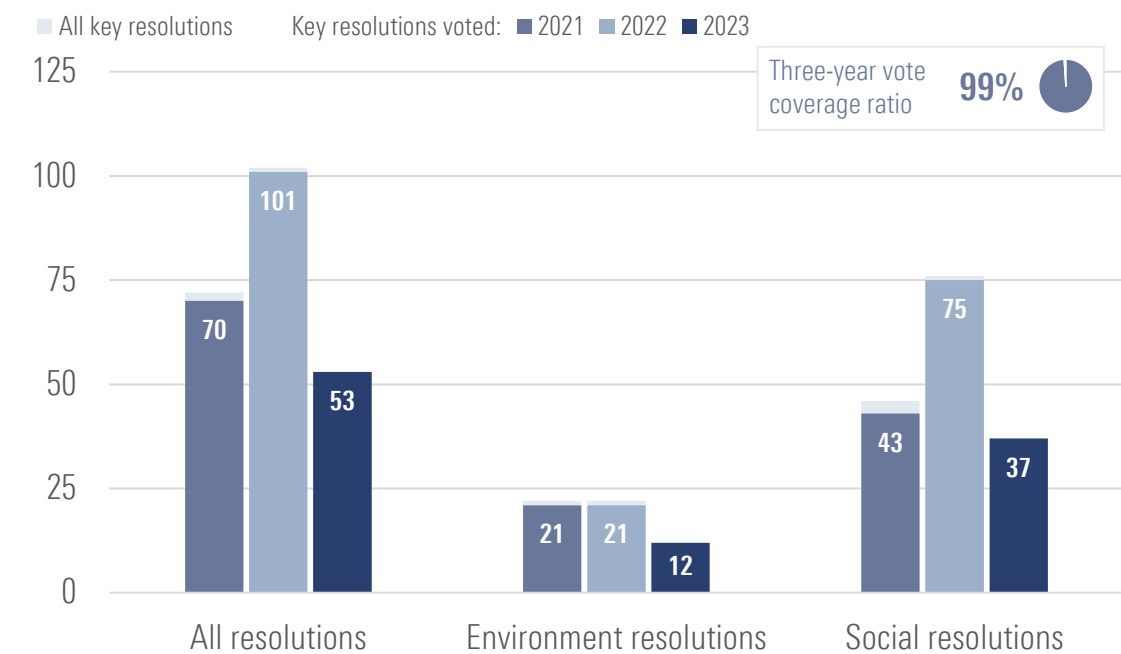
UBS is among the top five asset managers in Europe and in the top 20 globally, according to worldwide equity fund assets, which total over USD 200 billion. Over the last three proxy years, the firm has supported 99% of U.S. key resolutions. UBS' vote coverage for key resolutions is high, as the firm runs several U.S. and global passive equity strategies.

Support for Key ESG Resolutions, 2021–23 Proxy Years



Over the last three proxy years, UBS has opposed only three of 224 key resolutions the firm voted: All were related to environment themes and took place in the 2022 proxy year. This means that UBS is one of only a few firms to show higher support for social key resolutions compared with environment-related key resolutions over the period.

Number of Key ESG Resolutions Voted, 2021–23 Proxy Years



Source: Asset manager's stewardship disclosures. Data as of Jan. 2, 2024. Note: Charts show voting decisions captured at firm level for proxy years ended June 30.

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