

Public Pensions Overwhelmingly Vote for ESG

Support crosses party lines, often exceeding that of ESG-focused investment funds.

Morningstar Manager Research
August 2022

Janet Yang Rohr, CFA¹
Director for Multi-Asset and Alternatives
Research, North America
Janet.Yang@morningstar.com

Michael Blakeslee
Investment Operations Associate
Michael.Blakeslee@morningstar.com

Additional Contributors:

Jackie Cook
Director, Stewardship, Product Strategy &
Development, Morningstar Sustainalytics

Leslie Norton
Editorial Director, Sustainability

Alyssa Stankiewicz
Associate Director, Sustainability Research

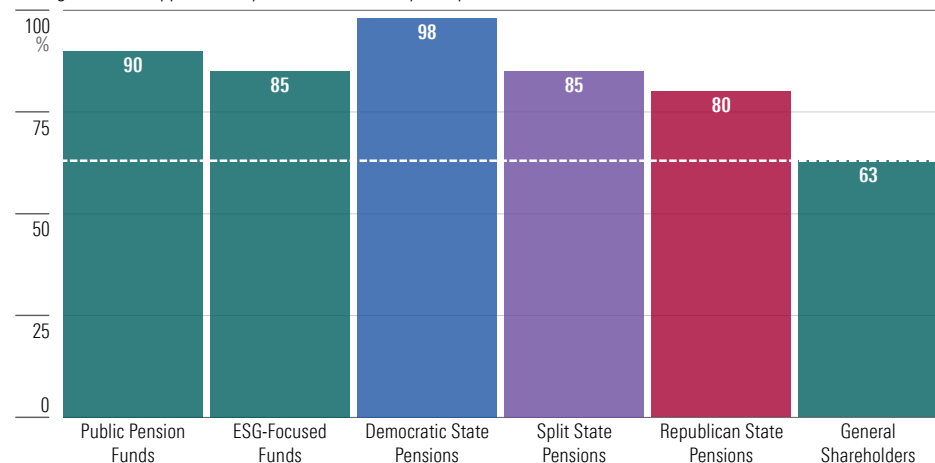
Public pension funds have long been at the forefront of sustainable investing practices, and in the often-overlapping realms of proxy voting and environmental, social, and governance investing, that pattern has held true. We analyzed the most recently available 2021 public fund proxy votes along 72 key ESG shareholder resolutions. These key issues addressed environmental and social issues, as well as the governance of environmental and social risks, and covered areas such as climate change, pay equity, and workers' rights.

Our sample of U.S. state and local municipal defined-benefit pension funds, which invest on behalf of almost 14 million of their working and retired participants across \$3.4 trillion in assets, showed a higher rate of support for almost all these 72 resolutions compared with support from general shareholders as well as ESG-focused funds. Support crossed party lines, though public pensions based in Democratic-leaning states tended to vote in favor of ESG resolutions more often than those based in Republican-leaning ones.

No matter the political lean of their state, public pensions across the country have plenty of room to improve when it comes to providing more transparency on how they voted and describing the rationales for their votes. Proxy-voting results can directly affect company behavior and economic results, so there's good reason to know how public funds use their market power to influence these outcomes.

Exhibit 1 Public Pension Funds Overwhelmingly Support Key ESG Resolutions

Average Rate of Support for Key ESG Resolutions, By Group



¹Janet Yang Rohr is an elected Illinois state representative and works on legislation related to topics addressed in this paper.

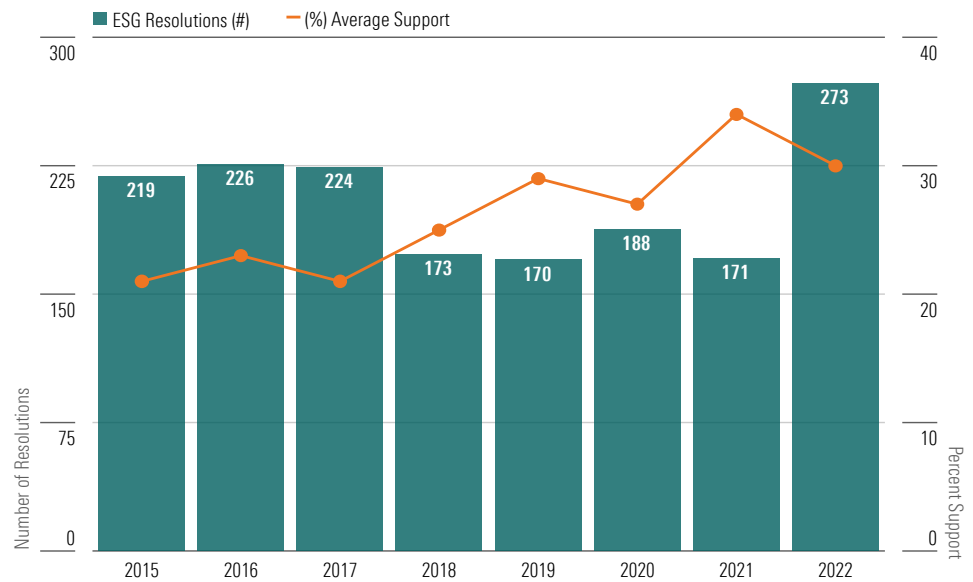
Support for ESG Resolutions Reached New Levels in 2021 and 2022

Most U.S. public companies hold their annual shareholder meetings between April and June of each year. These meetings give shareholders valuable access to engage with company management on a number of issues, including shareholder resolutions. While the vote outcomes of these resolutions are typically not binding, they can exert significant influence when backed by a majority of shareholders; in many cases, the vote results from even a minority of shareholders can influence company management.

ESG shareholder resolutions have grown in both support and number in recent years, reaching record levels of support in 2021 and a record number of resolutions in 2022. Exhibit 2 summarizes the results for shareholder resolutions for all U.S. companies. On average, ESG resolutions earned 34% support in 2021, up from 27% in 2019. Thirty-six ESG resolutions passed with majority support in 2021, up from 20 passed in 2020. In 2022, ESG resolutions reached 30% support with 40 resolutions passed.

An important note: Because reporting from many public pension funds can considerably lag the proxy season, the findings in this paper focus on the 2021 proxy season vote outcomes. As public pensions release their voting records, we plan to update this data and research in future papers.

Exhibit 2 Record Support for ESG in 2021 and a Record Number of ESG Resolutions in 2022
Environmental, Social, and Governance Resolutions: 2015-22



Source: Morningstar.

Public Pension Funds Overwhelmingly Support ESG Resolutions

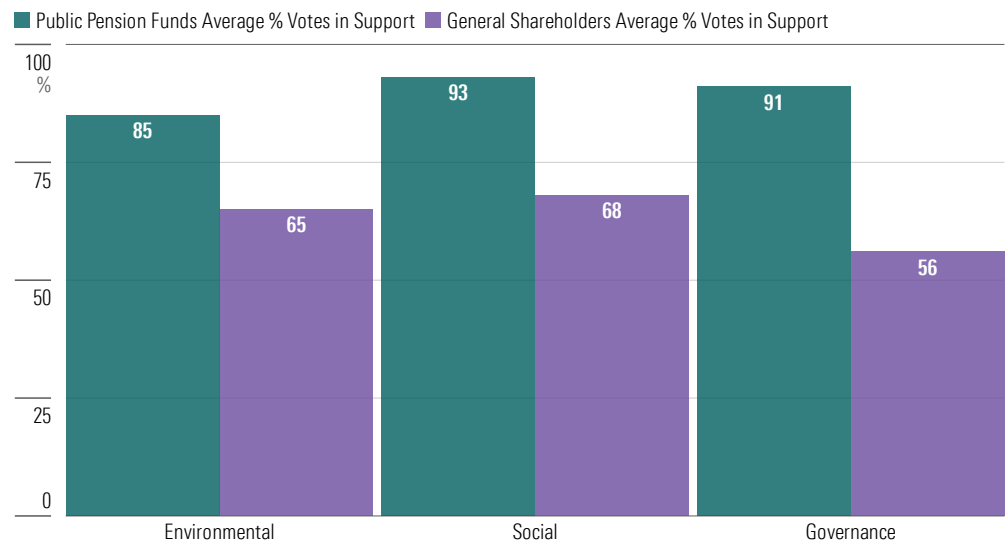
Public pensions in the United States range widely in scope. They're unified in their service to public sector employees, with pensions at the municipal, state, and federal levels that invest assets on behalf of the teachers, firefighters, and nurses — among many others — that they serve. As a group, public pensions have also often been at the forefront of sustainable investing practices, including their roles as early signatories of the United Nations' Principles for Responsible Investment and leading the charge in transitioning their portfolio holdings toward net-zero emissions targets.

This leadership has held in the often-overlapping circles of proxy voting and environmental, social, and governance investing. By and large, public pension funds exercised their proxy-voting rights by voting in favor of 72 of the key ESG resolutions in 2021 tracked by Morningstar. The 72 ballot items, which are included in Appendix 1, each received at least 40% support of independent shareholders. This focus on independent shareholders is key: It excludes the influence of insider shareholder votes to better approximate broad market sentiment.

To evaluate public pension proxy-voting practices, we examined the proxy-voting policies, disclosures, and records of public pension funds and related governmental umbrella organizations from all 50 states, as well as the District of Columbia. Using the [U.S. Census Bureau's 2021 Annual Survey of Public Pensions](#) as a guide, we identified the largest public pension funds in the country and in each state. These usually included pensions for state employees and for public school teachers. Many states consolidate pension management under umbrella organizations (such as the Washington State Investment Board and Nebraska Investment Council), which manage assets on behalf of multiple pension funds.

The almost 2,000 public pension funds reporting 2021 data to the U.S. Census Bureau represented 34 million members and \$5.5 trillion in assets. This group of U.S. public pension funds was highly skewed toward a relatively small number of mega funds. The 65 public pensions and umbrella organizations that we examined and listed in Appendix 2 encompassed about \$4.8 trillion in assets across 21 million members. Of that group, 29 public pensions or umbrella organizations (listed in Appendix 3) directly voted their proxies and made those records available without a fee, either online or by request. These public pensions represented \$3.4 trillion in assets and almost 14 million members. In all, we evaluated more than 1,900 individual votes (detailed in Appendix 4) across 72 key resolution proxy ballot items.

We classified each of the 72 key resolutions as "environmental," "social," or "governance" based on the most salient theme addressed by the resolution. As shown in Exhibit 3, shareholder resolutions primarily related to social issues and governance issues garnered average support in 93% and 91%, respectively, of the votes cast by public pension funds. At 85% of votes in favor, environmental resolutions had relatively lower levels of support. Overall, though, public pension funds demonstrated overwhelming support for these resolutions compared with general shareholders, showing 20-percentage-point and above spreads in the average rates of support for environmental, social, and governance ballot items.

Exhibit 3 Public Pension Funds Overwhelmingly Support Key ESG Resolutions Versus General Shareholders

Sources: Morningstar and state agencies.

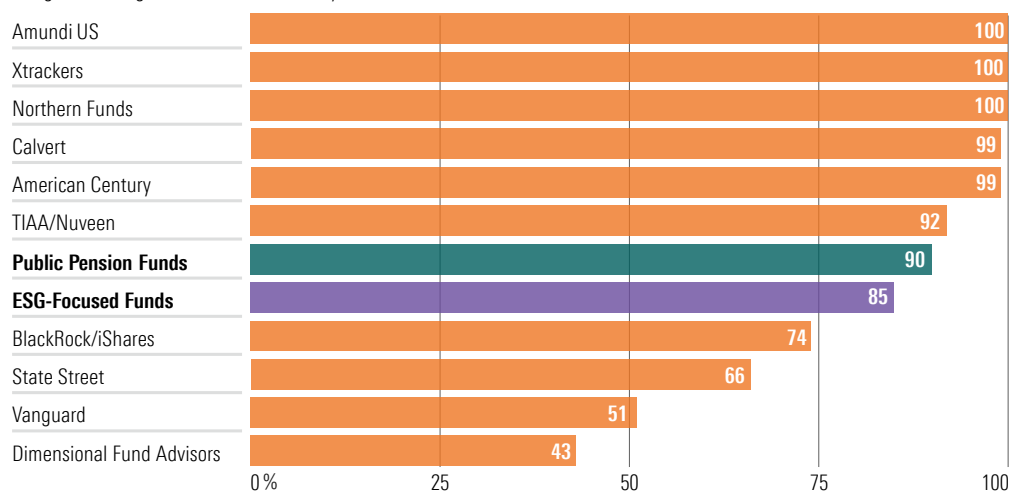
Figures for general shareholders are adjusted to exclude votes from insider shareholders, who often vote via share classes with super voting rights. These votes are cast according to management's recommended votes, which typically oppose shareholder proxy motions. Absent this adjustment, general support for those resolutions would have been lower, and the difference in support between public pension funds and other shareholders would be even greater.

Public pension funds also tend to lead ESG-focused funds in their support of ESG-linked resolutions. Among U.S. ESG-focused funds², support for key ESG resolutions stood at 85%—somewhat lower than the 90% aggregate level of support by the average public pension fund. Exhibit 4 shows how public pension funds and the average ESG-focused fund compare with the top 10 asset managers (by ESG assets under management) of ESG-focused funds.

² The U.S. ESG-focused fund universe includes open-end funds and ETFs that thoroughly integrate ESG factors into their investment processes (ESG Focus funds), and/or pursue sustainability-related investment themes (Sustainable Sector funds), and/or seek measurable sustainable impact alongside financial returns (Impact funds). It does not include funds that employ only limited exclusionary screens without a broader emphasis on ESG, nor does it contain the growing number of funds that now acknowledge that they consider ESG factors in a limited way in their security selection (ESG Consideration funds).

Exhibit 4 Public Pension Funds Support ESG Resolutions More Than the Average ESG-Focused Fund

Average Percentage of Votes in Favor of Key ESG Shareholder Resolutions



Sources: Morningstar and state agencies.

Among the top 10 asset managers, BlackRock, State Street, Vanguard, and Dimensional trail the overall average level of support for ESG funds as well as the average for public pensions. What's more, BlackRock announced in May 2022 that it will vote for fewer climate shareholder resolutions in 2022 than it did in 2021.

Out of the 72 key ESG resolutions in 2021, public pension funds as a group only lagged general shareholders in their support on three ballot items, which are shown in Exhibit 5. In each of these cases, general shareholder support was greater than 90% and nearly unanimous in the case of Bunge's 99% and General Electric's 98% rates. Public pension funds did not fall far behind in voting for these proposals. The companies themselves played no small part in these vote outcomes. For both Bunge and General Electric, management had recommended that shareholders vote in favor of these resolutions; Paycom Software's management made no recommendation for or against the proposal.

Exhibit 5 Public Pensions Lagged General Shareholder Support in Three of 72 Key Resolutions, Though Not by Much

Resolution ID	Company Name	Proposal Title	ESG Category-Subcategory	Public Pensions		General Shareholders % For	Difference in % For, Public Vs. General
				% For	% Against		
9802	Bunge Ltd	Report on Soy Supply Chain	E-Climate Change	95%	5%	99%	-4%
9573	General Electric Co	Report on Net Zero Indicator	E-Climate Change	96%	4%	98%	-2%
9861	PayCom Software	Diversity in Executive Leadership	S-Diversity & Inclusion	93%	7%	94%	-1%

Sources: Morningstar and state agencies.

Also noteworthy at the company level were the vote results of the eight ESG shareholder resolutions initiated by public pension funds, which are listed in Exhibit 6. Each received more than 90% support from public pension funds, far outstripping the levels of support seen from general shareholders.

Out of these public fund-proposed resolutions, the two that had the strongest general shareholder support (at over 80%) were both filed by New York City Employees' Retirement System, calling for greater transparency of EEO-1 data. On an annual basis, the U.S. Equal Employment Opportunity Commission requires private companies meeting certain criteria to report demographic data according to race, ethnicity, sex, and job categories. The data is kept confidential at the federal level, though there has been recent state-level legislation—from Illinois and California, for example—to bring more public transparency to this data.

Exhibit 6 Shareholder Resolutions Introduced by Public Pension Funds Receive Strong Support From Public Pension Peers

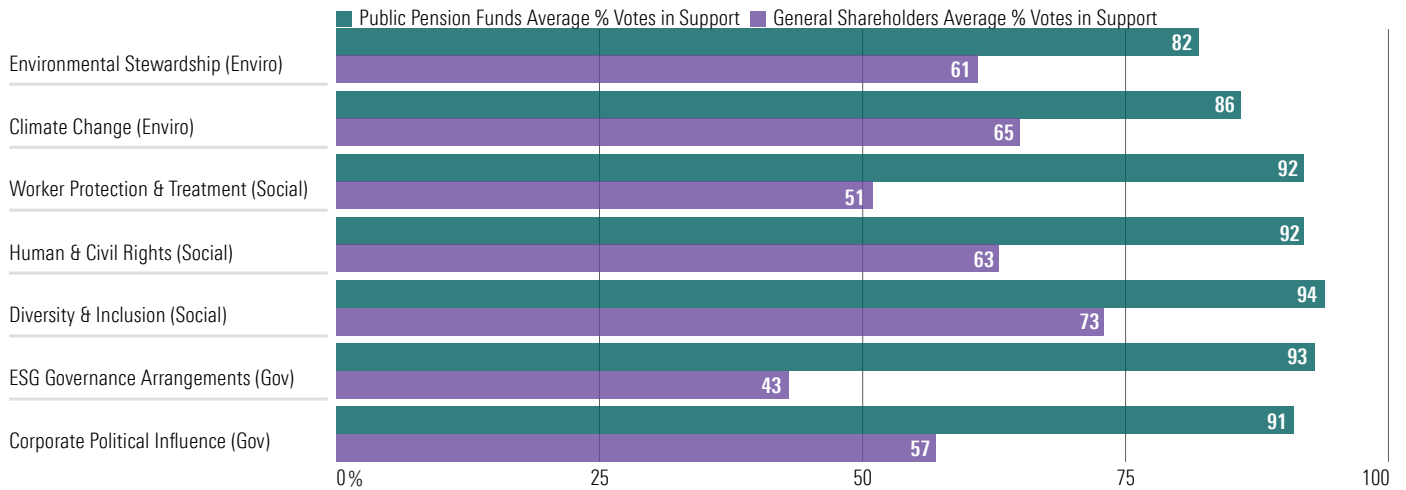
Resolution ID	Company Name	Proposal Title	Filed By	Public Pensions % For	General Shareholders % For	Difference in % For, Public Vs. General
9524	Berkshire Hathaway Inc	Report on Climate-Related Risks & Opps	CA Public Emoloyees' Retire. Sys., et al	93%	52%	41%
9586	Dominion Energy Inc	Policy to Require an Independent Chair	NYC Pension Plans	93%	43%	50%
9577	Duke Energy Corp	Report on Political Expenditures	NY State Common Retire. Fund	96%	52%	44%
9517	DuPont de Nemours Inc	Annual Disclosure of EEO-1 Data	NYC Pension Plans	96%	84%	13%
9534	First Comm. Bankshares Inc	Board Diversity	NY State Common Retire. Fund	100%	71%	29%
9800	Phillips 66	Report on Climate Lobbying	CA State Teachers' Retire. Sys.	93%	62%	31%
9831	Royal Caribbean Group	Political Contributions Disclosure	NY State Common Retire. Fund	93%	53%	40%
9639	Union Pacific Corp	EEO-1 Report Disclosure	NYC Pension Plans	96%	86%	10%

Sources: Morningstar and state agencies.

In addition to classifying ESG shareholder resolutions as environmental, social, or governance, we further divided resolutions into the subgroups shown in Exhibit 7. Like the ESG groupings, each of the ESG subgroups show 20-percentage-point or more spreads in average rates of support from public pension funds compared with general shareholders. The respective 40- and 50-percentage-point spreads for Worker Protection & Treatment and ESG Governance Arrangements stand out among the ESG groupings as the widest divergence between public pension funds and broad shareholder sentiment.

The three resolutions encompassed within Worker Protection & Treatment came from Goldman Sachs Group, Sunrun, and Tesla proxies and were related to employee arbitration. As the use of mandatory arbitration has increased over time, workers' rights advocates have raised concerns over issues around transparency and fairness in arbitration proceedings.

Exhibit 7 Public Pensions Funds Overwhelmingly Support Key ESG Resolutions Across Subgroups Compared With General Shareholders



Sources: Morningstar and state agencies.

As a group, public pension funds strongly supported efforts to report on the effectiveness of mandatory arbitration, and their rationale for voting against managements' recommendation nicely illustrated the range of transparency provided on votes. Most public pensions provided no explanation. Some gave brief justifications, such as the Maine Public Employees Retirement System, which voted for the Goldman Sachs Group shareholder proposal on mandatory arbitration policies and simply stated, "shareholder proposal has a positive effect on shareholder value." The Vermont State Employees' Retirement System had a particularly comprehensive explanation on the same vote; its more than 200-word rationale provided historical context for concerns around the company's use of mandatory employee arbitration as part of its reasoning in voting in favor of the resolution.

The ESG Governance Arrangements subgroup only had one key vote in 2021, which was on a shareholder resolution for Dominion Energy to have an independent chair. Separating the roles of chairperson of the board from the chief executive is largely considered a governance best practice that allows a board of directors to monitor and oversee the CEO more effectively. Dominion Energy's management recommended that shareholders vote against this resolution. Only two of 28 public pensions or agencies — the Teachers Retirement System of Georgia and Nebraska Investment Council — that owned Dominion Energy voted with management and against this resolution. In contrast to votes that go against management, public pension funds voting with management recommendations rarely provide a rationale for their votes.

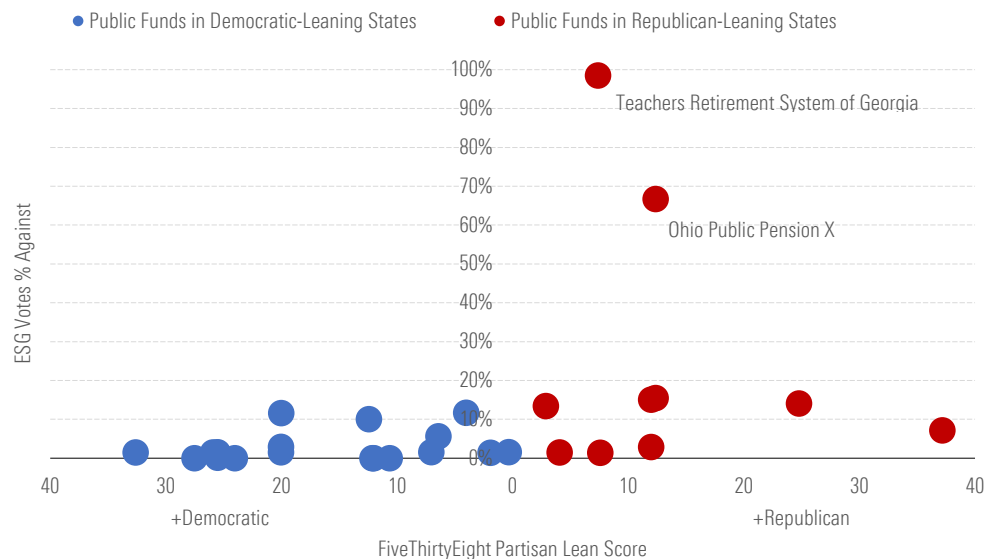
A State's Partisan Leanings Shape How Its Pension Funds Vote

Compared with general shareholders, public pension funds in our cross-country sample showed clear and strong aggregate support for key ESG shareholder resolutions. That collective support, though, masked notable deviations among individual public pension funds, much of which correlated strongly with the partisan lean of the state in which each public pension is based.

We used the FiveThirtyEight Partisan Lean Score to quantify each state's degree of partisanship, assigning scores to each public pension fund based on the fund's home state. This score measures the average difference between how a given state voted in the 2020 elections versus the country as a whole. Its single-score structure is convenient for analytical purposes, but the relationships we found in this section held for other methodologies and measures of partisan divide, too, like Pew Research's party affiliation data, which classifies the percentage of adults in each state that identify as Republican/Lean Republican, No Lean, and Democrat/Lean Democrat.

Exhibit 8 plots the individual public pension funds according to their home state's partisan lean score against the fund's percentage of votes cast against key shareholder resolutions. Two funds stand out from the group: The Teachers Retirement System of Georgia held positions in 67 of the companies included in the 2021 key votes. The Georgia fund voted against all but one of the shareholder resolutions (resulting in the 99% of votes against ESG resolutions); this included a vote against a resolution on the International Business Machines ballot about diversity and inclusion that was supported by management. The Georgia fund's single vote in favor of a shareholder resolution was for a General Electric ballot item on net-zero emissions, which was supported by management.

Exhibit 8 Public Pension Funds Show Partisan Influences in Key ESG Shareholder Resolutions

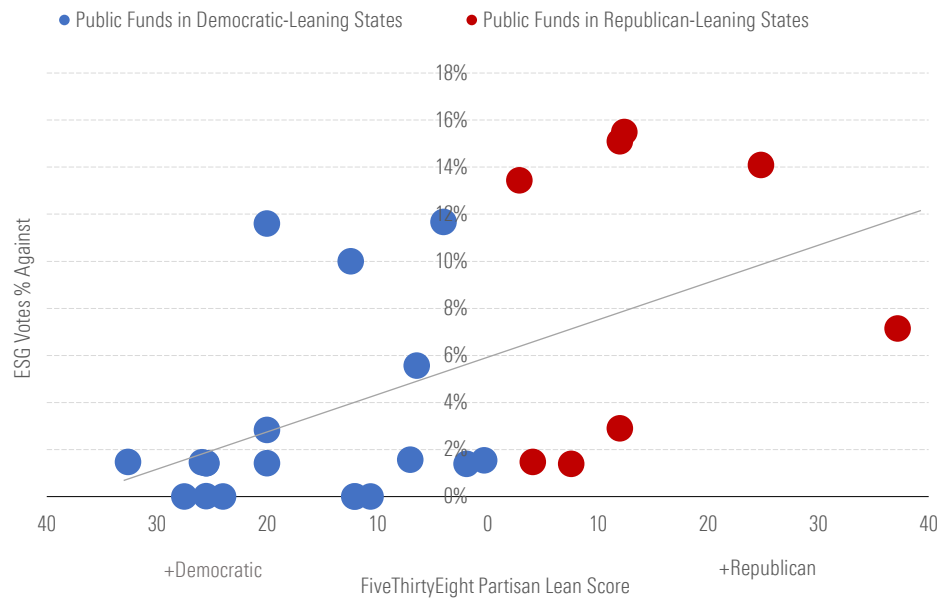


Sources: Morningstar, FiveThirtyEight.com, and state agencies.

Ohio Public Pension X³ also stood outside of voting norms, registering 44 against votes out of the 66 resolutions on which it was eligible to vote (resulting in 67% of votes against ESG resolutions). Like the Georgia fund, Ohio Public Pension X also voted against management's recommendation when it voted against General Electric's net-zero ballot item and IBM's diversity and inclusion resolution. Also notable was Ohio Public Pension X's vote against an environment- and climate-change-related shareholder resolution on soy supply chain reporting for Bunge, which was supported by management.

The Teachers Retirement System of Georgia and Ohio Public Pension X's high share of votes against ESG resolutions are outliers among the group—both fall outside of two standard deviations of the group's average. To better illustrate the strength of the relationship between partisan lean score and propensity to vote against an ESG resolution, Exhibit 9 removes these two results. Essentially, public pension funds based in Republican-leaning states tend to vote against ESG resolutions more than funds based in Democratic-leaning states. We also looked at a log transformation of the partisan lean score based on the hypothesis that we would see an increasing effect from partisanship the more a state moved father left or the right and found a similar relationship.

Exhibit 9 Public Pension Funds Show Partisan Influences in Key ESG Shareholder Resolutions (excluding Ohio, Ga.)



Sources: Morningstar, FiveThirtyEight.com, and state agencies.

³ As a condition of their providing data, we made anonymous the names and identifying information of two funds; throughout this paper, we refer to them as Ohio Public Pension X and Idaho Public Pension X.

Six public pension funds had voting records with 100% support for key ESG shareholder resolutions. Commensurate with most shareholder resolutions, the vast majority of these votes in favor were against management's recommendation. Exhibit 10 lists the most and least supportive public pension funds.

Exhibit 10 Public Pension Funds With the Most Votes For and Against Key ESG Resolutions Correspond to Their Home State's Partisan Leanings

State	Name	2021				538 Partisan Lean
		Assets (\$ in bil)	ESG Votes For	ESG Votes Against	ESG Votes % For % Against	
<i>Against Votes - High Shares</i>						
GA	Teachers Retirement System of Georgia	105.8	1	66	1% 99%	R+7.4
OH	Ohio Public Pension X	--	22	44	33% 67%	R+12.4
<i>For Votes - High Shares</i>						
NJ	New Jersey Division of Investment	99.3	63	0	100% 0%	D+12.0
OR	Oregon Public Employees	97.0	70	0	100% 0%	D+10.6
CA	University of California Retirement Plan	92.1	71	0	100% 0%	D+25.5
CT	Connecticut Retirement Plans and Trust Funds	44.6	63	0	100% 0%	D+12.1
RI	Employees Retirement System of Rhode Island	10.5	70	0	100% 0%	D+24.0
VT	Vermont State Retirement System	5.5	57	0	100% 0%	D+27.5

Sources: Morningstar, FiveThirtyEight.com, and state agencies.

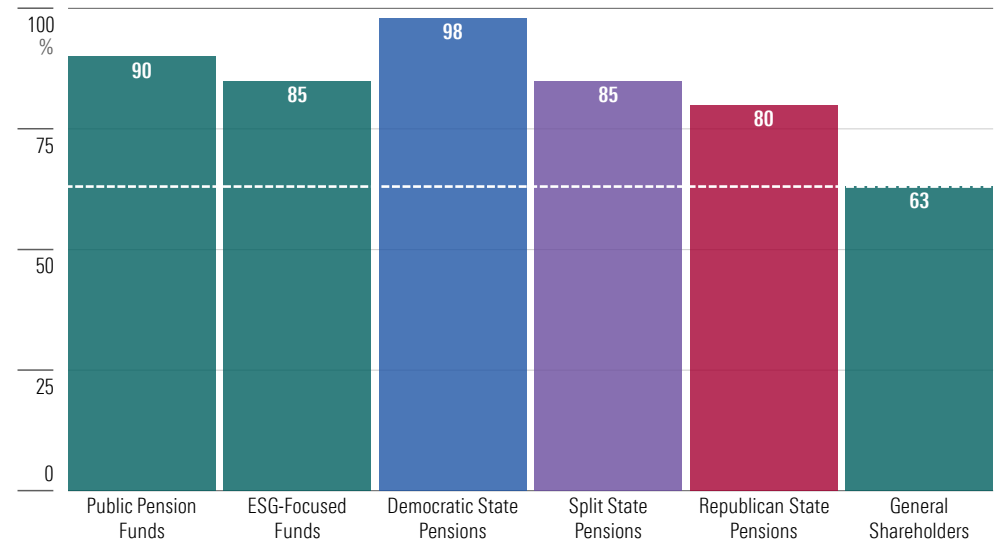
The differences in voting patterns suggest that public pension funds aren't immune from partisan decision-making. Indeed, The Teachers Retirement System of Georgia's 99% of votes against key ESG resolutions support this observation, as do the six pension funds with 100% support of key resolutions that are all in Democratic-leaning states.

And while there's a relationship between partisan lean and the propensity to support ESG shareholder resolutions, there's also variation in support between public pensions based in the same state. The Teacher Retirement System of Texas and the Employees Retirement System of Texas, for example, voted differently on seven resolutions, resulting in 97% and 85% rates of support, respectively, for the two funds. Ohio Public Employees Retirement System and Ohio Public Pension X had a starker difference in levels of support, at 85% and 33%, respectively. These differences between funds located in the same state illustrate the autonomy with which public pension funds can exercise their judgement and how different the assessment can be in analyzing the merits of ESG shareholder resolutions.

To illustrate the overall differences that correlate with partisan lean, Exhibit 11 shows the aggregate rate of support for public pensions based in Democratic-leaning states and Republican-leaning states, as well as split states. Split states comprise public pensions based in states with FiveThirtyEight Partisan Lean Scores of 10 or less, while Democratic-leaning and Republican-leaning states are those with scores of more than 10, according to their respective party.

Perhaps not surprisingly, public pensions based in Democratic-leaning states tended to vote in favor of ESG resolutions more often than those based in Republican-leaning states—the former had an average 98% support rate across public pension funds compared with the latter's 80%. Public pensions located in split states landed in between, at 85%. The less predictable outcome may be that all three groups came out well ahead of general shareholders' average 63% rate of support across key shareholder resolutions and didn't look too different from the 85% rate of support seen from ESG-focused funds.

Exhibit 11 Public Pensions Funds Overwhelmingly Support Key ESG Resolutions Versus General Shareholders
Average Rate of Support for Key ESG Resolutions



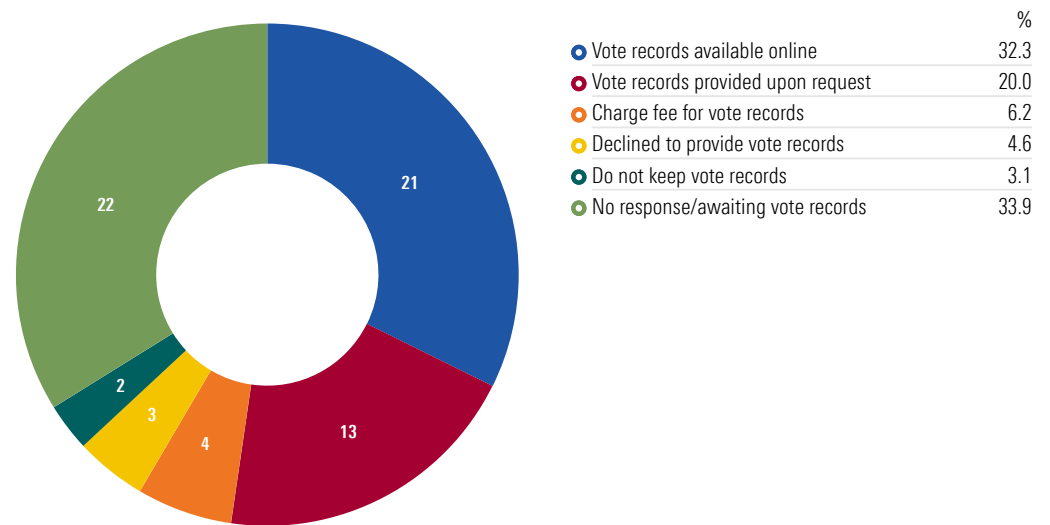
Sources: Morningstar, FiveThirtyEight.com, and state agencies.

Public Pension Fund Proxy-Voting Reporting and Transparency Varies Widely

The absence of standardized proxy vote disclosures makes it challenging to locate and analyze the records of even the largest public pension funds. Most public pensions do not make their records available on their websites. Some public pensions require submitting time-consuming Freedom of Information Act requests, others will not disclose records to out-of-state requesters, and a small number charge fees (up to \$342, in our sample) for access to records. Appendix 2 lists the public pensions for which we were able to access data with no fee. As a condition of their providing data, we made anonymous the names and identifying information of two funds; throughout this paper, we refer to them as Ohio Public Pension X and Idaho Public Pension X.

Of the 29 public pensions that disclosed their records, 20 provided them on their website, and 9 disclosed them after written request. In addition, five funds provided data but were not included in our aggregated numbers; in those cases, each fund's individual asset managers are responsible for voting proxies for the assets that they manage, which can result in contradictory votes. Exhibit 12 shows a breakdown of how the public pensions disclosed their proxy-voting records.

Exhibit 12 Public Pension Funds' Proxy Voting Reporting and Transparency Vary Widely



Sources: Morningstar and state agencies.

Public pensions also used a plethora of methods to present their records that varied in terms of file format and information disclosed. Formats included spreadsheets, PDF documents, and PDF documents of spreadsheets. The disclosures ranged from a simple disclosing of votes (stating, for example, For, Against, or Abstain) to various levels of detail for the voting rationale.

The following selection of voting rationale provided for the DuPont de Nemours shareholder resolution on plastic pollution illustrates this range:

- **Vermont State Employees' Retirement System:** "The shareholder proposal requests that the Company report on its efforts and the effectiveness of its efforts to minimize plastic material environmental contamination. The proponent states that every year 11 million metric tons of plastic pellets pollute the ocean, making it a major source of pollution around the world. The proponent states that it not only puts marine life at risk but can affect humans as well. The proponent, As You Sow, contends that these ocean nurdles also expose the Company to financial risks, pointing to Formosa Plastics Corporation USA, which paid a \$50 million fine to help with an environmental cleanup. Shareholders would benefit from a report on what the Company releases into the marine environment and the Company's actions to reduce this volume. A vote cast in favor of this proposal."

- ▶ **State Board of Administration of Florida:** "Additional disclosure would allow shareholders a better understanding of the Company's risks concerning plastic pollution."

- ▶ **University of California Retirement Plan:** "A vote FOR this proposal is warranted, as shareholders would benefit from additional information on how the company is reducing the amount of plastic materials discharged into the environment and effectively managing this risk."

For the best level of public transparency and accountability, we encourage more public pensions to make their voting records available online, both for the current proxy season as well as for past historical votes. At a minimum, public pensions and their governing bodies should keep records of their proxy votes, making them available upon request and without charging a fee. Providing voting rationale is helpful, too, and gives an indication of the level of care employed in managing public pension assets.

What's Next for Public Pension Funds and ESG Shareholder Resolutions?

The bulk of the 2022 proxy-voting season ended in June, and proxy-voting disclosures from public pension funds have trickled in since then. We will continue to gather this data and encourage more public pensions to disclose their votes. After reading through and hand-collecting more than 1,900 votes, we have a few suggestions for the stakeholders who should care the most about these results:

- ▶ **Plan Participants and Taxpayers:** Insist that public pension funds provide better transparency on their voting policy, votes, and voting rationale. Public pensions provide the bulk of many workers' market exposure, and sound management of these investments has a direct impact on the funding health of workers' retirements. Proxy-voting results can directly affect company behavior and economic results, so plan participants and taxpayers have good reason to know how public funds influence these outcomes.
- ▶ **Public Pension Funds:** Strive to provide free, web-based proxy-voting results, as well as clearly stated proxy-voting policies. The 65 public pensions and various state agencies that we interacted with ran the gamut in how or if they made their voting results available. Some told us they kept no records of their votes, which is particularly egregious. Pension funds that don't report anything need to start doing so—that lack of transparency would be unacceptable for the asset managers that they invest with, and stakeholders should expect no less. The Vermont State Employees' Retirement System's disclosures and voting rationale were exemplary. Charging for proxy-voting results erects unnecessary barriers for such an important tool for public accountability.
- ▶ **Regulators and Policymakers:** In addition to more disclosure and transparency on voting practices, bring more standardization and timeliness to reporting. The vast differences in reporting formats and identifiers means that only the most dedicated or well-resourced have access to proxy-voting data at a scale sufficient to provide effective accountability and oversight.

Gathering data on public pension fund voting remains a manual and time-consuming task, but it yields potentially valuable investment intelligence and new insights for public policy and regulators. In the following appendixes, we've provided nearly all of this paper's underlying data for others to investigate.

For future updates, we aim to expand the scale and scope of this data and research. We hope that improved fund disclosure allows us to add additional public pension funds to the mix. Additionally, we aim to consider the influence of a public pension's specific governance structure on voting behavior. In some states, for example, elected state treasurers serve as the primary trustee for a given pension fund, while in other states, an investment board or committee collectively serves in that role. We'll continue to examine the data alongside Morningstar's suite of portfolio and holdings analytics and encourage others to do the same. ■■■

Appendix 1: Key ESG Shareholder Resolutions in 2021

The key ESG shareholder resolutions include all U.S. shareholder resolutions from the 2021 proxy season that had at least 40% of general shareholder support. The measure of general shareholder support excludes the influence of insider shareholder votes to better approximate broad market sentiment. Without that adjustment, support for those resolutions would have been lower.

Exhibit A1.1 Key 2021 ESG Shareholder Resolutions, AECOM–Bunge

Resolution ID	Company Name	Proposal Title	ESG Category-Subcategory	Public Pensions		General Shareholders % For	Difference in % For, Public Vs. General
				% For	% Against		
9472	AECOM	Report on Lobbying Activities and Expenditures	G-Corp. Political Influence	92%	8%	55%	38%
9705	Amazon.com Inc	Report On Customer Due Diligence	S-Human & Civil Rights	93%	7%	44%	49%
9709	Amazon.com Inc	Report on Packaging Materials	E-Enviro. Stewardship	72%	28%	44%	28%
9710	Amazon.com Inc	Civil Rights, Equity, Diversity, Inclusion Audit	S-Diversity & Inclusion	90%	10%	55%	35%
9714	Amazon.com Inc	Report on Lobbying Activities and Expenditures	G-Corp. Political Influence	93%	7%	43%	50%
9715	Amazon.com Inc	Report on Customer Use of Certain Technologies	S-Human & Civil Rights	90%	10%	43%	47%
9558	American Express Co	Annual Report on Diversity	S-Diversity & Inclusion	96%	4%	60%	37%
9575	Badger Meter Inc	Report on Increasing Board Diversity	S-Diversity & Inclusion	95%	5%	85%	10%
9524	Berkshire Hathaway Inc	Report on Climate-Related Risks and Opportunities	E-Climate Change	93%	7%	52%	41%
9526	Berkshire Hathaway Inc	Report on Diversity and Inclusion Efforts	S-Diversity & Inclusion	96%	4%	50%	46%
9748	Biogen Inc	Disclose Lobbying Expenditures	G-Corp. Political Influence	72%	28%	41%	31%
9825	Bloomin Brands Inc	Report on Climate Change Efforts	E-Climate Change	80%	20%	76%	4%
9726	Booking Holdings Inc	Annual Climate Transition Report	E-Climate Change	85%	15%	56%	29%
9802	Bunge Ltd	Report on Soy Supply Chain	E-Climate Change	95%	5%	99%	-4%

Sources: Morningstar and state agencies.

Exhibit A1.2 Key 2021 ESG Shareholder Resolutions, Caterpillar–GEO Group

Resolution ID	Company Name	Proposal Title	ESG Category-Subcategory	Public Pensions		General Shareholders % For	Difference in % For, Public Vs. General
				% For	% Against		
9776	Caterpillar Inc	Report On Climate Policy	E-Climate Change	89%	11%	40%	49%
9654	Charles Schwab Corp	Disclose Lobbying Policy, Procedures And Oversight	G-Corp. Political Influence	93%	7%	48%	45%
9543	Charter Communications Inc	Report on Lobbying Activities and Expenditures	G-Corp. Political Influence	93%	7%	53%	40%
9545	Charter Communications Inc	Report on Diversity and Inclusion Efforts	S-Diversity & Inclusion	96%	4%	60%	37%
9546	Charter Communications Inc	Disclose Greenhouse Gas Emissions	E-Climate Change	62%	38%	58%	4%
9547	Charter Communications Inc	EEO-1 Reports	S-Diversity & Inclusion	96%	4%	59%	38%
9762	Chemed Corp	Political Spending Disclosure	G-Corp. Political Influence	96%	4%	80%	16%
9685	Chevron Corp	Reduce Scope 3 Emissions	E-Climate Change	69%	31%	61%	8%
9686	Chevron Corp	Report on Impacts of Net Zero 2050 Scenario	E-Climate Change	93%	7%	48%	45%
9688	Chevron Corp	Report on Lobbying	G-Corp. Political Influence	93%	7%	48%	45%
9433	Cintas Corp	Report on Political Contributions	G-Corp. Political Influence	96%	4%	51%	46%
9618	Conoco Phillips	Emission Reduction Targets	E-Climate Change	66%	34%	59%	6%
9739	DaVita Inc	Political Contributions Disclosure	G-Corp. Political Influence	93%	7%	58%	35%
9775	Delta Air Lines, Inc	Climate Lobbying Report	E-Climate Change	89%	11%	63%	26%
9586	Dominion Energy Inc	Policy to Require an Independent Chair	G-ESG Gov. Arrangements	93%	7%	43%	50%
9577	Duke Energy Corp	Report on Political Expenditures	G-Corp. Political Influence	96%	4%	52%	44%
9517	DuPont de Nemours Inc	Annual Disclosure of EEO-1 Data	S-Diversity & Inclusion	96%	4%	84%	13%
9518	DuPont de Nemours Inc	Annual Report on Plastic Pollution	E-Enviro. Stewardship	89%	11%	81%	8%
9752	Expedia Group Inc	Political Contribution Disclosure	G-Corp. Political Influence	96%	4%	58%	38%
9834	Exxon Mobil Corp	Report on IEA Net Zero 2050 Scenario Analysis	E-Climate Change	93%	7%	49%	44%
9837	Exxon Mobil Corp	Report on Lobbying	G-Corp. Political Influence	89%	11%	56%	33%
9838	Exxon Mobil Corp	Report on Climate Lobbying	E-Climate Change	96%	4%	64%	32%
9844	Facebook Inc	Report on Child Sexual Exploitation Online	S-Human & Civil Rights	93%	7%	56%	37%
9846	Facebook Inc	Platform Misuse/ misinformation	S-Human & Civil Rights	90%	10%	63%	26%
9534	First Community Bankshares Inc	Board Diversity	S-Diversity & Inclusion	100%	0%	71%	29%
9647	First Solar Inc	Racial and Ethnic Diversity Report (Board)	S-Diversity & Inclusion	96%	4%	91%	5%
9698	Flowers Foods, Inc	Political Contribution Disclosure	G-Corp. Political Influence	96%	4%	45%	51%
9573	General Electric Co	Report on Net Zero Indicator	E-Climate Change	96%	4%	98%	-2%
9574	GEO Group, Inc	Annual Lobbying Report	G-Corp. Political Influence	69%	31%	66%	3%

Sources: Morningstar and state agencies.

Exhibit A1.3 Key 2021 ESG Shareholder Resolutions, Goldman Sachs Group–XPO Logistics

Resolution ID	Company Name	Proposal Title	ESG Category-Subcategory	Public Pensions		General Shareholders % For	Difference in % For, Public Vs. General
				% For	% Against		
9554	Goldman Sachs Group, Inc	Report on Effects of Use of Mandatory Arbitration	S-Worker Protect. & Treat.	93%	7%	53%	40%
9495	Internl. Business Machines Corp	Annual Report on Diversity, Equity And Inclusion	S-Diversity & Inclusion	96%	4%	94%	2%
9673	JPMorgan Chase & Co	Racial Equity Audit and Report	S-Diversity & Inclusion	75%	25%	41%	34%
9808	Kroger Co	Recyclability of Packaging	E-Enviro. Stewardship	71%	29%	46%	25%
9563	Lilly(Eli) & Co	Report on Lobbying Activities And Expenditures	G-Corp. Political Influence	93%	7%	48%	45%
9820	Lyft Inc	Report on Lobbying Exenditures and Activities	G-Corp. Political Influence	94%	6%	70%	24%
9414	McKesson Corp	Report on Lobbying Activities and Expenditures	G-Corp. Political Influence	93%	7%	52%	41%
9736	Netflix Inc	Political Contributions Disclosure	G-Corp. Political Influence	96%	4%	81%	16%
9644	Norfolk Southern Corp	Report on Lobbying/ Paris Climate Agreement	E-Climate Change	89%	11%	76%	12%
9600	Omnicom Group, Inc	Political Spending Disclosure	G-Corp. Political Influence	93%	7%	51%	42%
9435	Oracle Corp	Pay equity report	S-Diversity & Inclusion	93%	7%	86%	7%
9861	PayCom Software	Diversity in Executive Leadership	S-Diversity & Inclusion	93%	7%	94%	-1%
9510	Pfizer Inc	Political Spending Report	G-Corp. Political Influence	76%	24%	47%	29%
9799	Phillips 66	GHG Emissions Targets	E-Climate Change	93%	7%	80%	13%
9800	Phillips 66	Report on Climate Lobbying	E-Climate Change	93%	7%	62%	31%
9636	Pilgrim's Pride Corp	Report on Reduction of Water Pollution	E-Enviro. Stewardship	96%	4%	73%	23%
9431	Procter & Gamble Co	Report on Efforts to Eliminate Deforestation	E-Climate Change	72%	28%	68%	5%
9831	Royal Caribbean Group	Political Contributions Disclosure	G-Corp. Political Influence	93%	7%	53%	40%
9851	Sunrun Inc	Reporting on Employee Arbitration	S-Worker Protect. & Treat.	92%	8%	59%	33%
9402	Tesla Inc	Employee Arbitration	S-Worker Protect. & Treat.	90%	10%	41%	49%
9466	Tyson Foods, Inc	Report on Human Rights Due Diligence	S-Human & Civil Rights	93%	7%	78%	15%
9468	Tyson Foods, Inc	Corporate Lobbying Report	G-Corp. Political Influence	93%	7%	79%	14%
9639	Union Pacific Corp	EEO-1 Report Disclosure	S-Diversity & Inclusion	96%	4%	86%	10%
9640	Union Pacific Corp	Report Annually on Diversity and Inclusion Efforts	S-Diversity & Inclusion	96%	4%	81%	15%
9703	United Airlines Holdings Inc	Disclose Political Contributions	G-Corp. Political Influence	96%	4%	68%	28%
9704	United Airlines Holdings Inc	Climate-Related Lobbying Activities	E-Climate Change	93%	7%	65%	27%
9732	Walmart Inc	Report on Lobbying	G-Corp. Political Influence	93%	7%	54%	39%
9730	Wendy's Co	Report on Protection of Workers in the Supply Chain	S-Human & Civil Rights	96%	4%	95%	1%
9804	XPO Logistics Inc	Addl. Disclosure of the Company's Political Activities	G-Corp. Political Influence	92%	8%	58%	34%

Sources: Morningstar and state agencies.

Appendix 2: Representative U.S. Public Pension Funds

We examined the proxy-voting policies and records of 65 public pensions. Exhibit A2.1 shows funds that make their 2021 proxy-voting records available without a fee. The funds in Exhibit A2.2 have publicly available vote records. However, because individual asset managers are responsible for voting and therefore can result in contradictory votes, we did not include them in our aggregated data. Most funds in Exhibit A2.3 do not have readily available records, while a few charge fees for access to their votes.

Exhibit A2.1 Public Pension Funds Providing Proxy-Voting Data With No Fee, Included in Aggregated Data

State	Name	2021 Assets (\$ in Bil)	# Members (000s)	538 Partisan Lean Score
CA	California Public Employees' Retirement System	500.9	1,420	D+25.5
CA	California State Teachers' Retirement System	327.6	1,327	D+25.5
CA	University of California Retirement Plan	92.1	320	D+25.5
CO	Colorado Public Employees Retirement Association	72.6	132	D+6.4
CT	Connecticut Retirement Plans and Trust Funds	44.6	212	D+12.1
FL	Florida Retirement System	206.4	656	R+7.6
GA	Teachers Retirement System of Georgia	105.8	459	R+7.4
MA	Massachusetts Pension Reserves Retirement Trust	104.0	300	D+32.6
MD	Maryland State Retirement	67.9	231	D+25.9
ME	Maine Public employees Retirement Fund	18.7	159	D+4.0
MN	Minnesota State Board of Investment, Combined Funds	94.0	691	D+1.9
ND	North Dakota State Investment Board	7.5	34	R+37.2
NE	Nebraska Investment Council	20.8	149	R+24.8
NH	New Hampshire Retirement System	11.9	90	D+0.3
NJ	New Jersey Division of Investment	99.3	800	D+12.0
NM	New Mexico Educational Retirement Board	16.7	110	D+7.0
NY	New York City Retirement Systems	274.7	1,223	D+20.0
NY	New York State Common Retirement Fund	279.7	1,172	D+20.0
NY	New York State Teachers' Retirement System	151.4	435	D+20.0
OH	Ohio Public Employees Retirement System	109.3	400	R+12.4
OH	Ohio Public Pension X	--	--	R+12.4
OR	Oregon Public Employees	97.0	305	D+10.6
PA	Pennsylvania Public Schools	75.1	296	R+2.9
RI	Employees Retirement System of Rhode Island	10.5	32	D+24.0
TX	Employees Retirement System of Texas	35.4	345	R+12.0
TX	Teacher Retirement System of Texas	204.0	661	R+12.0
VT	Vermont State Retirement System	5.5	20	D+27.5
WA	Washington State Investment Board (Retirement Funds)	168.9	259	D+12.4
WI	State of Wisconsin Investment Board (Wisconsin Retirement System)	147.0	652	R+4.1

Sources: Morningstar, FiveThirtyEight.com, and state agencies.

Exhibit A2.2 Public Pension Funds Providing Proxy-Voting Data With No Fee, Not Included in Aggregated Data

State	Name	2021 Assets (\$ in Bil)	# Members (000s)	538 Partisan Lean Score	
AK	Alaska Retirement Management Board	18.9	87	R+14.6	
ID	Idaho Public Pension Plan X	--	--	R+37.0	
IL	Illinois State Board of Investments	25.0	167	D+13.4	
MO	Missouri Public School	50.3	249	R+21.2	
NV	Nevada Public Employees	58.5	256	R+2.5	

Sources: Morningstar, FiveThirtyEight.com, and state agencies.

Exhibit A2.3 Public Pension Funds With No Readily Available Proxy-Voting Data

State	Name	2021 Assets (\$ in Bil)	# Members (000s)	538 Partisan Lean Score	
AL	Alabama Retirement	52.3	239	R+29.6	
AR	Arkansas Teachers Retirement Plan	21.0	97	R+31.8	
AR	Arkansas Public Employees Retirement System	10.8	40	R+31.8	
AZ	Arizona State Retirement System	47.8	237	R+7.6	
CA	Los Angeles County	75.4	301	D+25.5	
DC	District of Columbia Retirement Board	10.9	21	D+68.2	
DE	Delaware Pension Funds (Combined)	14.6	83	D+13.7	
HI	Employees Retirement System of Hawaii*	21.9	127	D+31.6	
IA	Iowa Public Employees Retirement System	45.2	219	R+9.7	
IL	Illinois Teachers' Retirement System	63.9	282	D+13.4	
IL	Illinois Municipal Retirement Fund	56.8	246	D+13.4	
IN	Indiana Public Retirement System	45.8	508	R+20.0	
KS	Kansas Public Employees Retirement System*	24.6	327	R+20.7	
KY	Kentucky Teachers Retirement System*	25.7	127	R+27.1	
KY	Kentucky Public Pensions Authority	22.9	401	R+27.1	
LA	Louisiana teachers retirement system	27.1	178	R+20.5	
LA	Louisiana State Employees' retirement system	15.8	151	R+20.5	
MI	Michigan Retirement System	100.0	553	R+1.6	
MS	Public Employees Retirement System of Mississippi	35.3	345	R+20.3	
MT	Montana Public Employee Retirement Administration	9.5	147	R+20.0	
NC	North Carolina Retirement System	123.8	331	R+4.8	
NM	Public Employees Retirement System of New Mexico	18.0	101	D+7.0	
OK	Teachers Retirement System of Oklahoma	21.5	97	R+37.2	
OK	Oklahoma Public Employees Retirement System*	11.8	45	R+37.2	
SC	South Carolina Public Employees	41.7	153	R+18.6	
SD	South Dakota Retirement System	14.6	63	R+32.2	
TN	Tennessee Consolidated	50.0	283	R+29.4	
UT	Utah Retirement Systems	45.5	240	R+26.3	
VA	Virginia Retirement System	107.2	432	D+4.6	
WV	West Virginia Consolidated Public Retirement Board	8.8	69	R+35.5	
WY	Wyoming Retirement System	10.9	38	R+49.7	

Sources: Morningstar, FiveThirtyEight.com, and state agencies. Funds marked with an asterisk (*) make proxy-voting data available for a fee.

Appendix 3: Public Pension Funds' 2021 ESG Shareholder Resolution Summary Profiles

Exhibit A3.1 summarizes voting results for the 29 public pension funds with sufficient proxy-voting records that were included in this paper's aggregated data. These funds represent \$3.4 trillion in assets and invest on behalf of almost 14 million working and retired members.

Exhibit A3.1 Public Pension Funds' 2021 ESG Proxy-Voting Profiles

State	Name	2021 Assets (\$ in Bil)	ESG Votes For	ESG Votes Against	ESG Votes % For	ESG Votes % Against	538 Partisan Lean Score
CA	California Public Employees' Retirement System	500.9	70	1	99%	1%	D+25.5
CA	California State Teachers' Retirement System	327.6	70	1	99%	1%	D+25.5
NY	New York State Common Retirement Fund	279.7	70	1	99%	1%	D+20.0
NY	New York City Retirement Systems	274.7	69	2	97%	3%	D+20.0
FL	Florida Retirement System	206.4	71	1	99%	1%	R+7.6
TX	Teacher Retirement System of Texas	204.0	67	2	97%	3%	R+12.0
WA	Washington State Investment Board	168.9	63	7	90%	10%	D+12.4
NY	New York State Teachers' Retirement System	151.4	61	8	88%	12%	D+20.0
WI	State of Wisconsin Investment Board	147.0	67	1	99%	1%	R+4.1
OH	Ohio Public Employees Retirement System	109.3	60	11	85%	15%	R+12.4
GA	Teachers Retirement System of Georgia	105.8	1	66	1%	99%	R+7.4
MA	Massachusetts Pension Reserves Investment Trust	104.0	67	1	99%	1%	D+32.6
NJ	New Jersey Division of Investment	99.3	63	0	100%	0%	D+12.0
OR	Oregon Public Employees	97.0	70	0	100%	0%	D+10.6
MN	Minnesota State Board of Investment	94.0	71	1	99%	1%	D+1.9
CA	University of California Retirement Plan	92.1	71	0	100%	0%	D+25.5
PA	Pennsylvania Public Schools	75.1	58	9	87%	13%	R+2.9
CO	Colorado Public Employees Retirement Association	72.6	68	4	94%	6%	D+6.4
MD	Maryland State Retirement	67.9	68	1	99%	1%	D+25.9
CT	Connecticut Retirement Plans and Trust Funds	44.6	63	0	100%	0%	D+12.1
TX	Employees Retirement System of Texas	35.4	45	8	85%	15%	R+12.0
NE	Nebraska Investment Council	20.8	61	10	86%	14%	R+24.8
ME	Maine Public Employees Retirement Fund	18.7	53	7	88%	12%	D+4.0
NM	New Mexico Educational Retirement Board	16.7	63	1	98%	2%	D+7.0
NH	New Hampshire Retirement System	11.9	64	1	98%	2%	D+0.3
RI	Employees Retirement System of Rhode Island	10.5	70	0	100%	0%	D+24.0
ND	North Dakota State Investment Board	7.5	39	3	93%	7%	R+37.2
VT	Vermont State Retirement System	5.5	57	0	100%	0%	D+27.5
OH	Ohio Public Pension X	--	22	44	33%	67%	R+12.4

Sources: Morningstar, FiveThirtyEight.com, and state agencies.

Appendix 4: Public Pension Funds' 2021 ESG Shareholder Resolution Vote Details

Exhibits A4.2–A4.4 list each public pension's vote across the 72 key ESG shareholder resolutions. For space considerations, each public pension fund is numbered according to the fund number shown in Exhibit A4.1. We also ordered the funds by their FiveThirtyEight Partisan Lean Score to give a better visual sense for how voting patterns change when moving left to right across the political spectrum.

Exhibit A4.1 Public Pension Fund Name/Fund Number Key

Fund Number/Public Pension Fund	538 Partisan Lean Score
1 Massachusetts Pension Reserves Investment Trust	D+32.6
2 Vermont State Retirement System	D+27.5
3 Maryland State Retirement	D+25.9
4 California Public Employees' Retirement System	D+25.5
5 California State Teachers' Retirement System	D+25.5
6 University of California Retirement Plan	D+25.5
7 Employees Retirement System of Rhode Island	D+24.0
8 New York City Retirement Systems	D+20.0
9 New York State Common Retirement Fund	D+20.0
10 New York State Teachers' Retirement System	D+20.0
11 Washington State Investment Board	D+12.4
12 Connecticut Retirement Plans and Trust Funds	D+12.1
13 New Jersey Division of Investment	D+12.0
14 Oregon Public Employees	D+10.6
15 New Mexico Educational Retirement Board	D+7.0
16 Colorado Public Employees Retirement Association	D+6.4
17 Maine Public Employees Retirement Fund	D+4.0
18 Minnesota State Board of Investment	D+1.9
19 New Hampshire Retirement System	D+0.3
20 Pennsylvania Public Schools	R+2.9
21 State of Wisconsin Investment Board	R+4.1
22 Teachers Retirement System of Georgia	R+7.4
23 Florida Retirement System	R+7.6
24 Employees Retirement System of Texas	R+12.0
25 Teacher Retirement System of Texas	R+12.0
26 Ohio Public Employees Retirement System	R+12.4
27 Ohio Public Pension X	R+12.4
28 Nebraska Investment Council	R+24.8
29 North Dakota State Investment Board	R+37.2

Sources: Morningstar, FiveThirtyEight.com, and state agencies.

Exhibit A4.2 Public Pension Fund Votes on Key ESG Shareholder Resolutions in 2021, AEC (AECOM)–DAL (Delta Air Lines)

			F -Vote For Ag -Vote Against Ab -Abstain x -No Vote/No Ownership																														
			Fund Number																														
Resolution ID	Ticker	Proposal Title	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		
9472	ACM	Report on Lobbying Activities and Expenditures	F	x	F	F	F	F	F	F	F	F	F	x	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	x	
9709	AMZN	Report on Packaging Materials	F	F	F	F	F	F	F	F	F	Ag	Ag	F	F	F	F	F	Ag	F	F	Ag	F	Ag	F	Ag	F	Ag	Ag	F	F		
9710	AMZN	Conduct Civil Rights, Equity, Diversity And Inclusion Audit	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	Ag	Ag	F	F	
9715	AMZN	Report on Customer Use of Certain Technologies	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	Ag	Ag	F	F	
9705	AMZN	Report On Customer Due Diligence	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F	
9714	AMZN	Report on Lobbying Activities and Expenditures	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F	
9558	AXP	Annual Report on Diversity	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	F	F	x	
9575	BMI	Report on Increasing Board Diversity	x	x	F	F	F	F	F	F	F	F	F	F	x	F	x	F	x	F	x	F	x	Ag	F	x	F	F	F	F	F	x	
9524	BRK.B	Report on Climate-Related Risks and Opportunities	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	x	
9526	BRK.B	Report on Diversity and Inclusion Efforts	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	F	F	x	
9748	BIIB	Disclose Lobbying Expenditures	F	F	F	F	F	F	F	F	F	Ag	Ag	F	F	F	F	Ag	F	F	Ag	F	Ag	F	Ag	F	F	F	Ag	Ag	Ag	F	
9825	BLMN	Report on Climate Change Efforts	F	x	F	F	F	F	F	F	F	Ag	F	x	F	x	F	x	F	x	F	x	Ag	x	Ag	F	x	F	Ag	x	F	x	
9726	BKNG	Annual Climate Transition Report	F	F	F	F	F	F	F	Ag	F	F	F	F	F	x	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	Ag	x		
9802	BG	Report on Soy Supply Chain	F	x	F	F	F	F	F	F	F	x	F	x	F	F	x	F	F	F	x	F	F	x	F	x	F	F	Ag	F	x		
9776	CAT	Report On Climate Policy	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	Ag	x	
9654	SCHW	Disclose Lobbying Policy, Procedures And Oversight	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	x	
9546	CHTR	Disclose Greenhouse Gas Emissions	F	F	F	Ag	Ag	F	F	Ag	Ab	Ag	Ab	F	F	F	F	Ag	x	Ag	F	Ag	F	Ag	F	Ag	F	F	F	Ag	Ag	F	F
9545	CHTR	Report on Diversity and Inclusion Efforts	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	x	F	F	F	F	Ag	F	F	F	F	F	F	F	F	
9547	CHTR	EEO-1 Reports	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	x	F	F	F	F	Ag	F	F	F	F	F	F	F	F	
9543	CHTR	Report on Lobbying Activities and Expenditures	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	x	F	F	F	F	Ag	F	F	F	F	F	Ag	F	F	
9762	CHE	Political Spending Disclosure	F	x	F	F	F	F	F	F	F	F	F	x	x	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	F	F	F	
9685	CVX	Reduce Scope 3 Emissions	F	F	F	F	F	F	F	F	F	Ag	Ag	F	F	F	F	Ag	Ag	F	F	Ag	F	Ag	F	Ag	F	Ag	Ag	F	F	F	
9688	CVX	Report on Lobbying	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F	
9686	CVX	Report on Impacts of Net Zero 2050 Scenario	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F	
9433	CTAS	Report on Political Contributions	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	F	F	F	
9618	COP	Emission Reduction Targets	F	F	F	F	F	F	F	F	F	Ag	Ag	F	F	F	F	Ag	Ag	F	F	Ag	F	Ag	Ag	Ag	F	Ag	Ag	F	F	F	
9739	DVA	Political Contributions Disclosure	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	F	Ag	F	
9775	DAL	Climate Lobbying Report	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	Ag	Ag	F	

Sources: Morningstar and state agencies.

Exhibit A4.4 Public Pension Fund Votes on Key ESG Shareholder Resolutions in 2021, PSX (Phillips 66)–XPO (XPO Logistics)

			F -Vote For Ag -Vote Against Ab -Abstain x -No Vote/No Ownership																													
Resolution			Fund Number																													
ID	Ticker	Proposal Title	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
9799	PSX	GHG Emissions Targets	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F
9800	PSX	Report on Climate Lobbying	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F
9636	PPC	Report on Reduction of Water Pollution	F	x	F	F	F	F	F	F	F	F	F	x	x	F	F	F	F	F	F	F	F	Ag	F	x	F	F	x	F	x	
9431	PG	Report on Efforts to Eliminate Deforestation	F	F	F	F	F	F	F	F	F	Ag	Ag	F	F	F	F	F	Ag	F	F	Ag	F	Ag	F	Ag	F	Ag	Ag	F	F	
9831	RCL	Political Contributions Disclosure	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	F	Ag	F	
9851	RUN	Reporting on Employee Arbitration	F	x	x	F	F	F	F	F	F	F	F	F	F	F	F	F	x	F	F	F	F	Ag	F	F	F	F	Ag	F	x	
9402	TSLA	Employee Arbitration	x	x	x	F	F	F	F	F	F	x	F	F	F	F	x	F	F	F	x	F	F	x	F	F	x	F	Ag	x	Ag	
9468	TSN	Corporate Lobbying Report	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F
9466	TSN	Report on Human Rights Due Diligence	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	Ag	F	F	F	F	F	
9639	UNP	EEO-1 Report Disclosure	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	F	F	x	
9640	UNP	Report Annually on Diversity and Inclusion Efforts	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	F	F	x	
9704	UAL	Climate-Related Lobbying Activities	F	F	F	F	F	F	F	F	F	F	F	x	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	Ag	F	F	
9703	UAL	Disclose Political Contributions	F	F	F	F	F	F	F	F	F	F	F	x	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	F	F	F	
9732	WMT	Report on Lobbying	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	Ag	F	F	F	F	Ag	F	F	
9730	WEN	Report on Protection of Workers in the Supply Chain	F	x	F	F	F	F	F	F	F	F	F	x	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	x	F	x	
9804	XPO	Additional Disclosure of the Company's Political Activities	F	x	F	F	F	F	F	F	F	F	x	F	F	F	F	F	F	F	F	F	F	Ag	F	x	F	F	Ag	F	F	

Sources: Morningstar and state agencies.

About Morningstar Manager Research

Morningstar's global manager research team conducts objective, qualitative analysis of managed investment strategies such as mutual funds and exchange-traded funds. Manager research analysts express their views through the Morningstar Analyst Rating, which takes the form of Gold, Silver, Bronze, Neutral, or Negative. The analysts arrive at a strategy's Analyst Rating by assessing key areas including its management team and supporting resources (People Pillar), its investment approach and rationale (Process Pillar), and the investment organization backing the strategy concerned (Parent Pillar). The analysts juxtapose those assessments with the strategy's cost in arriving at a final Analyst Rating, which expresses their conviction in the strategy's ability to outperform a relevant benchmark index or category peers over a market cycle, adjusted for risk. The Morningstar Analyst Rating methodology is forward-looking in nature and applied consistently across geographies and markets. (The Analyst Rating is an opinion, not a statement of fact, and is not intended to be nor is a guarantee of future performance.)

About Morningstar® Manager Research Services

Morningstar Manager Research Services combines the firm's fund research reports, ratings, software, tools, and proprietary data with access to Morningstar's manager research analysts. It complements internal due-diligence functions for institutions such as banks, wealth managers, insurers, sovereign wealth funds, pensions, endowments, and foundations. Morningstar's manager research analysts are employed by various wholly owned subsidiaries of Morningstar, Inc. including but not limited to Morningstar Research Services LLC (USA), Morningstar UK Ltd, and Morningstar Australasia Pty Ltd.

For More Information

Connor Furlan
Customer Success Manager
connor.furlan@morningstar.com



22 West Washington Street
Chicago, IL 60602 USA

©2022 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. The information, data, analyses and opinions presented herein do not constitute investment advice; are provided solely for informational purposes and therefore are not an offer to buy or sell a security; and are not warranted to be correct, complete or accurate. The opinions expressed are as of the date written and are subject to change without notice. Except as otherwise required by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses or opinions or their use. The information contained herein is the proprietary property of Morningstar and may not be reproduced, in whole or in part, or used in any manner, without the prior written consent of Morningstar. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.