



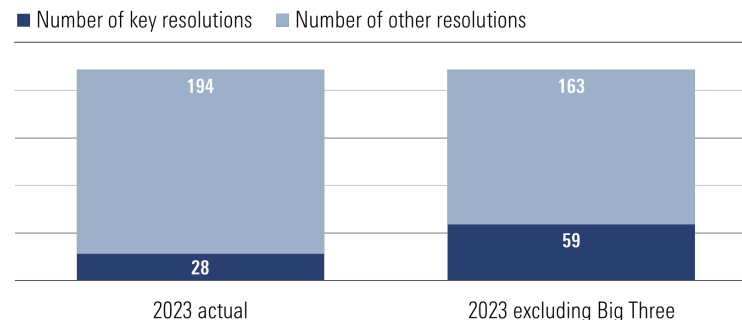
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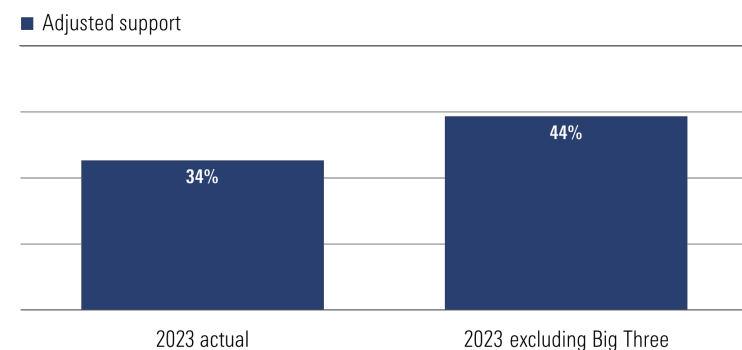
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## Key Takeaways

### Excluding the Big Three Means More Key Resolutions



### Near Misses: Higher Support Outside the Big Three



### BlackRock, Vanguard, and State Street Have a Significant Impact on Voting Outcomes

- Overall, there were fewer key resolutions in 2023 partly because of the Big Three.
- BlackRock and Vanguard sharply reduced their support for key resolutions in 2023. State Street’s support increased.
- Given their weight in the market, we look at how excluding the Big Three’s votes affects support for environmental and social (E&S) proposals.

### More Key Resolutions if We Exclude the Big Three

- Among U.S. large caps, we estimate there **would have been 59 instead of 28 key resolutions in 2023 if the Big Three hadn’t voted**—more than double.
- Adjusted **support for near-miss resolutions in 2023 was 34%, but this rises to 44%** if we exclude the Big Three.
- Several resolutions would have achieved majority adjusted support, including proposals on lobbying, climate, and workplace issues at Apple, Boeing, Chevron, and IBM.
- This would have sent a clearer signal to companies on which E&S issues are important to shareholders.

#### How We Categorize E&S Shareholder Resolutions

- We calculate **adjusted support**, which includes votes by independent shareholders only.
- **Key resolutions** are those that gain at least 40% adjusted support.
- **Near-miss resolutions** are those that gain at least 30% but less than 40% adjusted support.

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023.

Note: Charts show data for proxy years ended June 30 for resolutions at S&P 100 constituents as of June 30, 2023.

# Analyzing Key Resolutions

Overall, the Big Three's voting decisions lowered the average level of support for key resolutions. BlackRock and Vanguard had the largest effect.

## Large-Cap Proxy-Voting Trends Broadly Represent the U.S. Market Overall

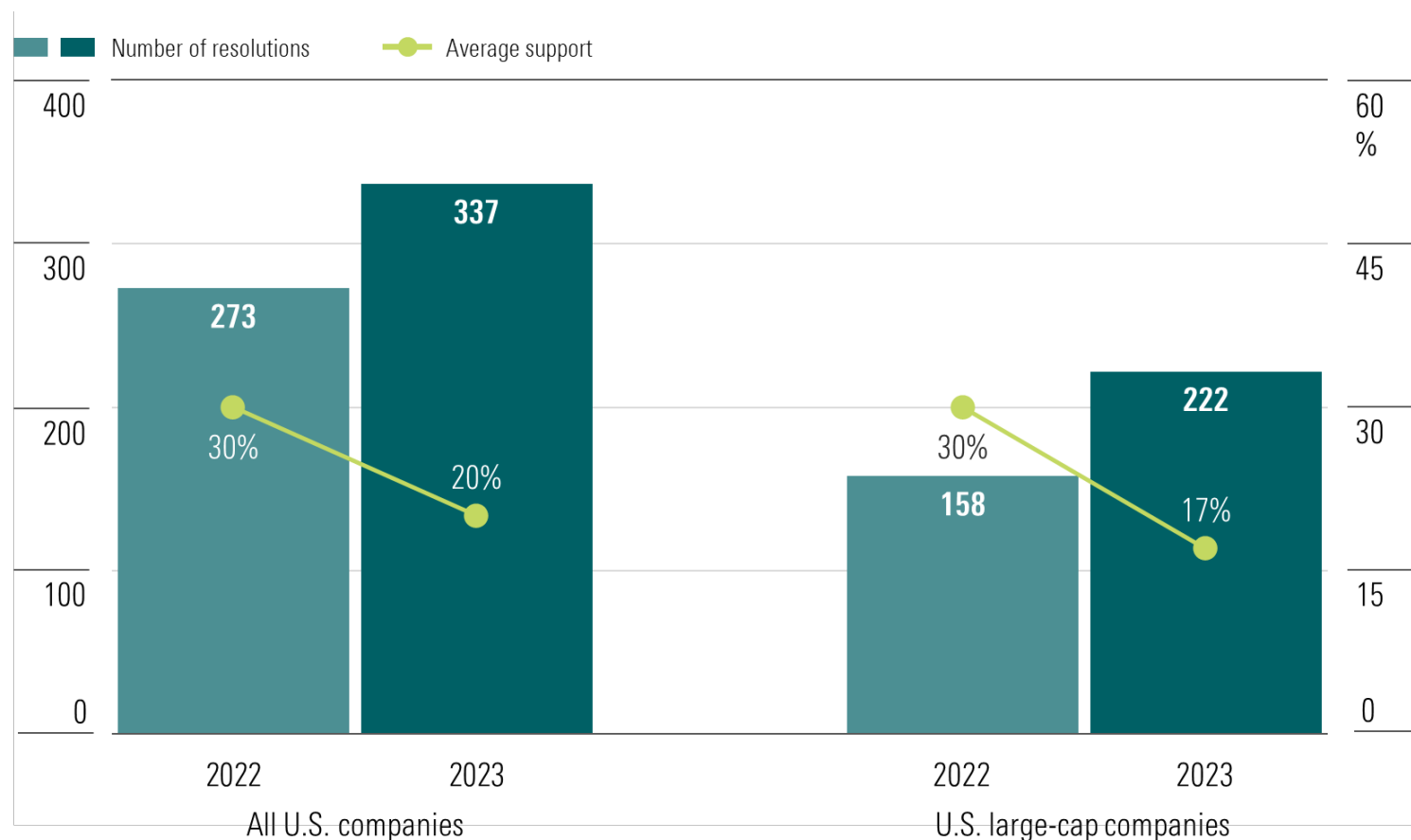
Our September [research paper](#) on proxy-voting trends posed the question of how much of the decline in support for E&S shareholder resolutions is due to lower support from large asset managers. To answer this, we looked at proxy-voting trends over the last two proxy years for U.S. large-cap<sup>1</sup> companies. **It's clear from the data that the trends seen among U.S. large caps are broadly representative of the wider U.S. market.**

As the chart opposite shows, the number of E&S resolutions voted on at U.S. large-cap companies increased by 64 in 2023 compared with 2022. The size of the increase for the U.S. market as a whole is identical. Shareholder support for E&S shareholder resolutions stood at an average 30% in the 2022 proxy year for the U.S. market and the large caps. Average support fell to 20% in the U.S. market in 2023, while the average for resolutions at large-cap companies fell to 17%. The steeper fall is mostly attributable to the higher representation among large-cap companies of resolutions filed at firms with large insider shareholdings and multiple-class share schemes.

1. "U.S. large-cap" refers to S&P 100 constituents as of June 30, 2023.

### Number of E&S Shareholder Resolutions

U.S. Companies, 2022 and 2023 Proxy Years



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

## Large-Cap Key Resolutions: Adjusted Support Reveals Identical Trends to the Wider Market

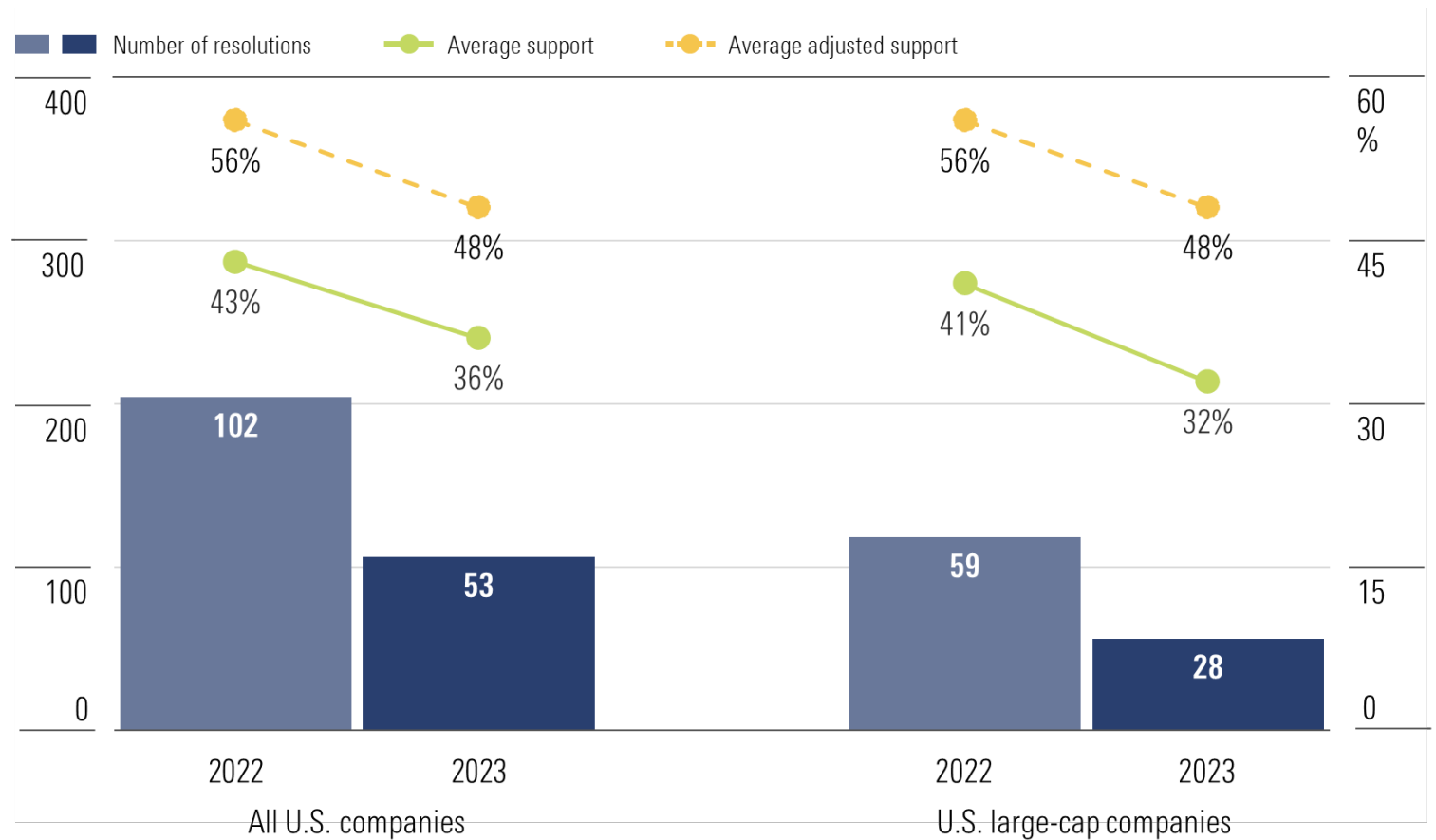
We also observed a similar steeper fall in average support for key resolutions at large-cap companies compared with the market overall, as shown by the green lines on the chart opposite.

**If we adjust calculated shareholder support to exclude the effects of insider shareholdings and multiple-class share schemes, we observe identical trends for large caps and the U.S. market as a whole** (yellow lines).

In both cases, the number of key resolutions roughly halved between 2022 and 2023.

### Key Shareholder Resolutions: Volume and Average Support

U.S. Companies, 2022 and 2023 Proxy Years

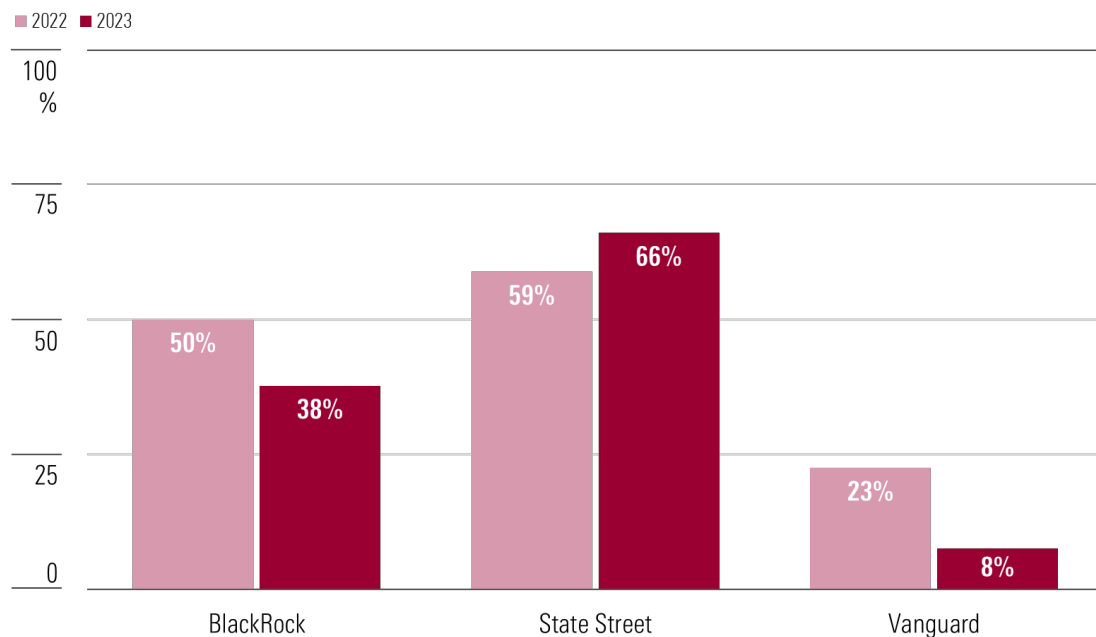


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

## Support Among Big Three Firms Diverges — More So Among Large Caps

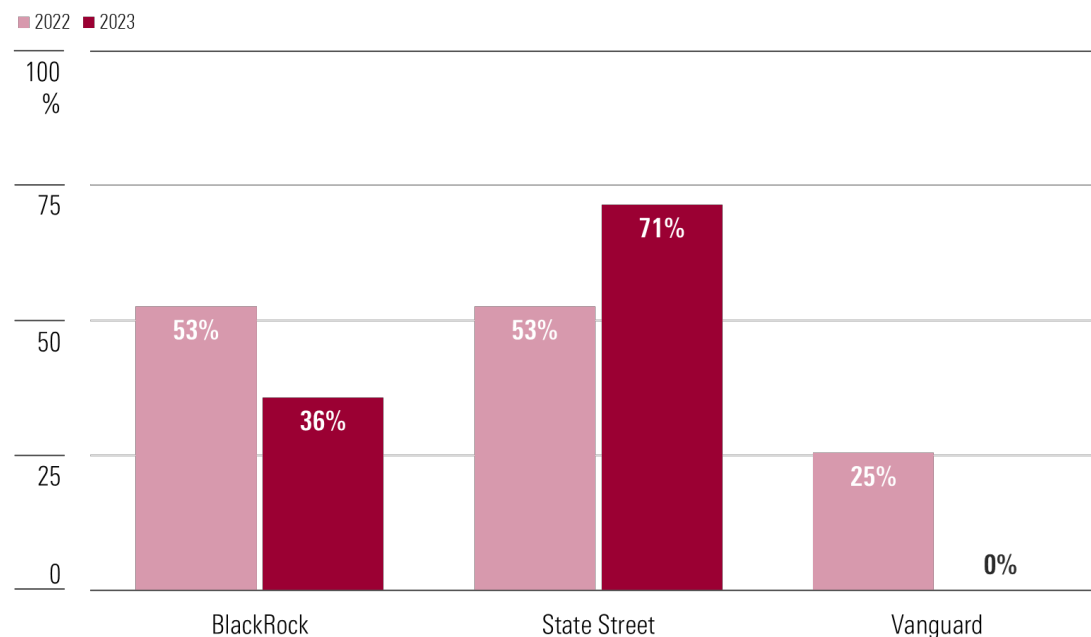
**Overall, BlackRock and Vanguard decreased their support for key resolutions. State Street's support increased.** BlackRock supported 38% of key resolutions in the 2023 proxy year, down from 50% in 2022. Vanguard supported only 8% of key resolutions in 2023, down from 23% in 2022. State Street bucked the wider trend by increasing its backing for key shareholder resolutions to 66% from 59%.

### Percentage of U.S. Key Resolutions Supported by Big Three Firms



Among the large-cap companies, BlackRock's support for key resolutions was broadly similar to that for the U.S. market overall in both years. State Street's support for large-cap key resolutions was slightly higher than the wider market in 2023. Vanguard, on the other hand, supported none of the large-cap key resolutions, although it backed 8% of key resolutions overall.

### Percentage of U.S. Large-Cap Key Resolutions Supported by Big Three Firms



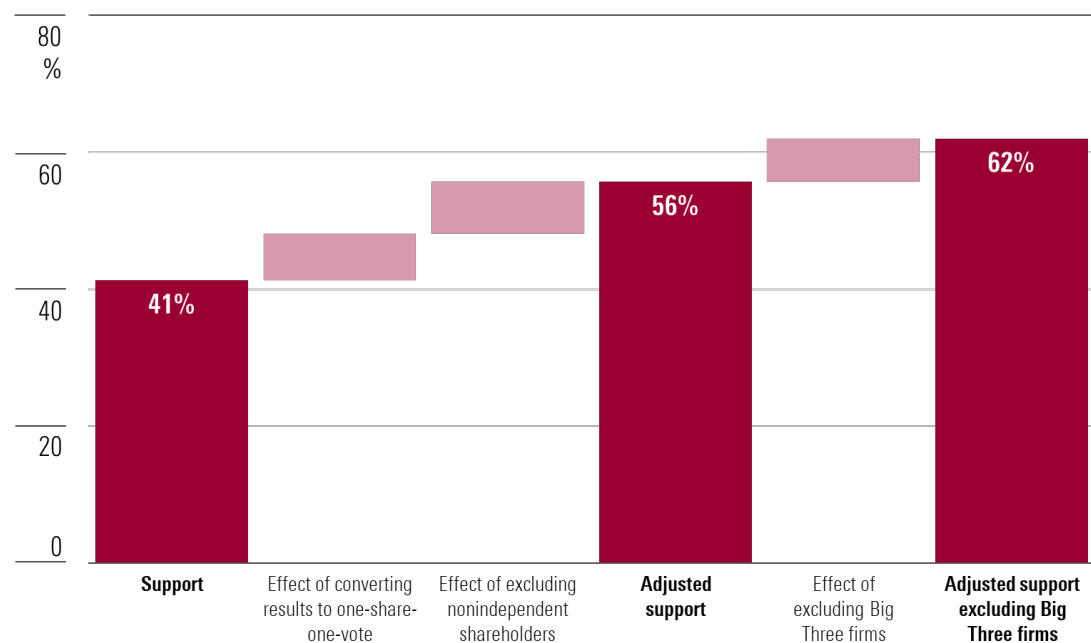
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

## Disaggregating the Effects of Voting Decisions for Key Resolutions

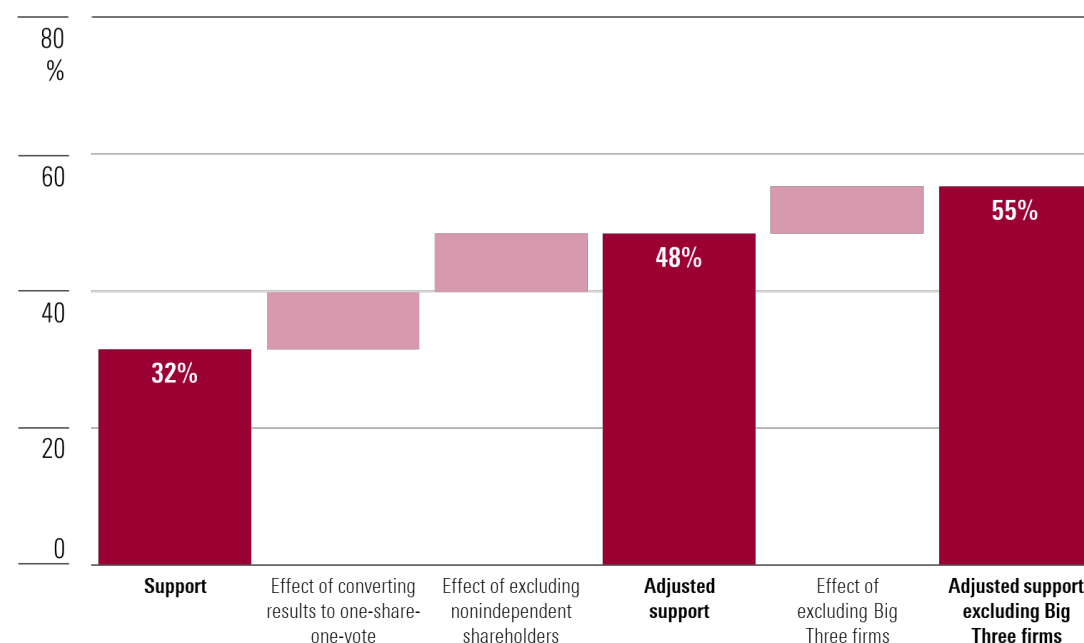
Based on shareholding data from proxy statements and SEC 13-F filings, we can roughly quantify the effects of adjustments to shareholder support. We can also estimate how adjusted support for each key resolution would change if the Big Three’s votes were excluded. In each of the last two proxy years, the effect of converting voting results to a one-share-one-vote basis, and of excluding votes “Against” by insider shareholders,

stood at around 7 to 8 percentage points each on average. However, it’s noteworthy that **average adjusted support for key resolutions would have been around another 6 to 7 percentage points higher each year if we exclude the Big Three’s voting decisions.**

**U.S. Large-Cap Key Resolutions: Average Support, 2022 Proxy Year**



**U.S. Large-Cap Key Resolutions: Average Support, 2023 Proxy Year**



Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.



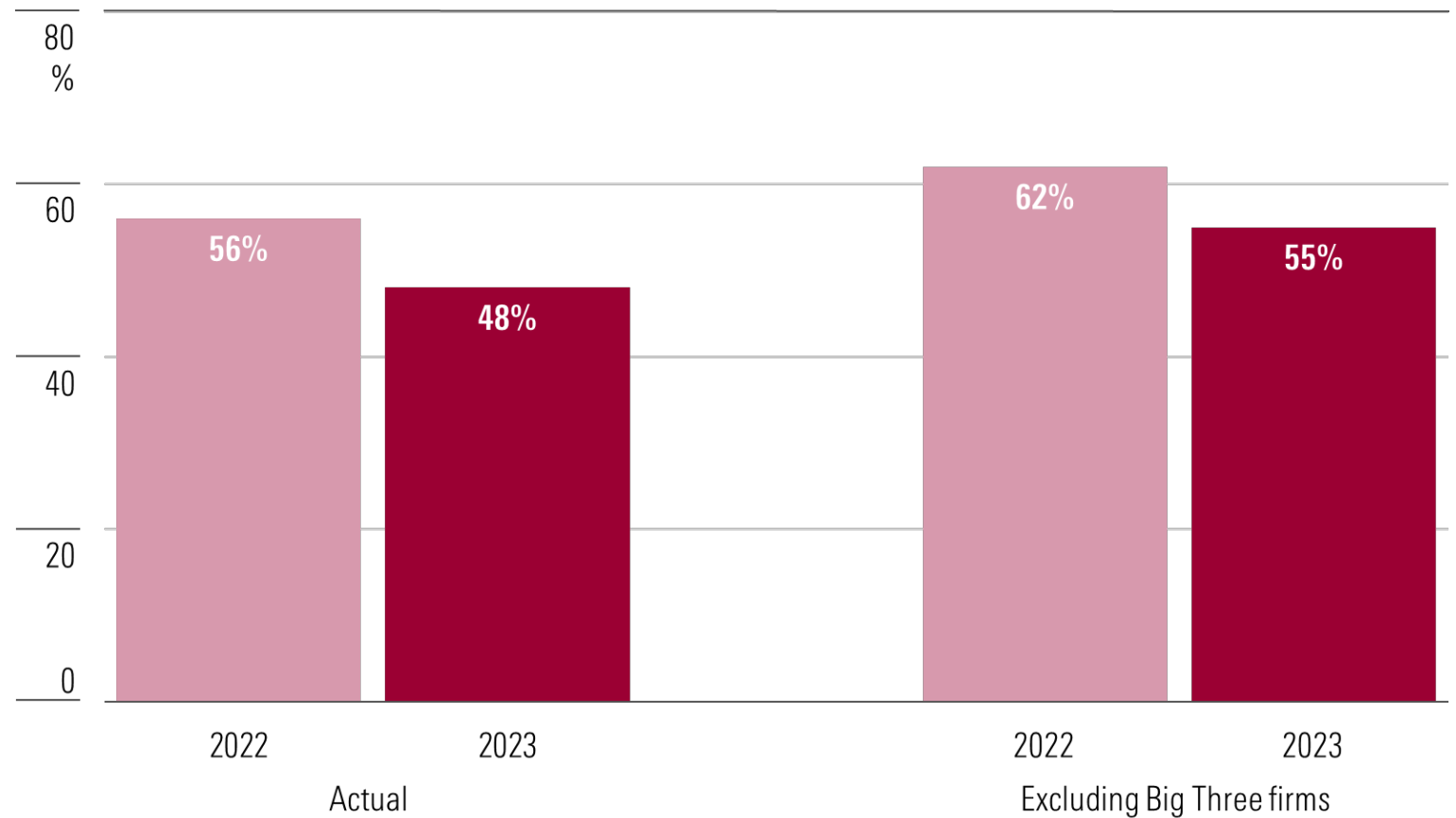
## Independent Shareholders Other Than the Big Three Showed Higher Support for Key Resolutions

As a result, **average adjusted support for key resolutions by shareholders other than the Big Three stood at 55% in the 2023 proxy year, compared with an actual result of 48%.** In 2022, the respective figures are 62% and 56%.

Because State Street increased its support for key resolutions in 2023, this damping effect of the Big Three’s votes must be primarily attributable to BlackRock’s and Vanguard’s voting decisions.

### Scenario Analysis: Average Adjusted Support for Key Resolutions

U.S. Large-Cap Companies, 2022 and 2023 Proxy Years



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

# Analyzing Near-Miss Resolutions

Resolutions that didn't quite achieve the key threshold of 40% adjusted support reveal greater divergence in managers' voting decisions.

## 'Near Misses' Reveal Important Clues

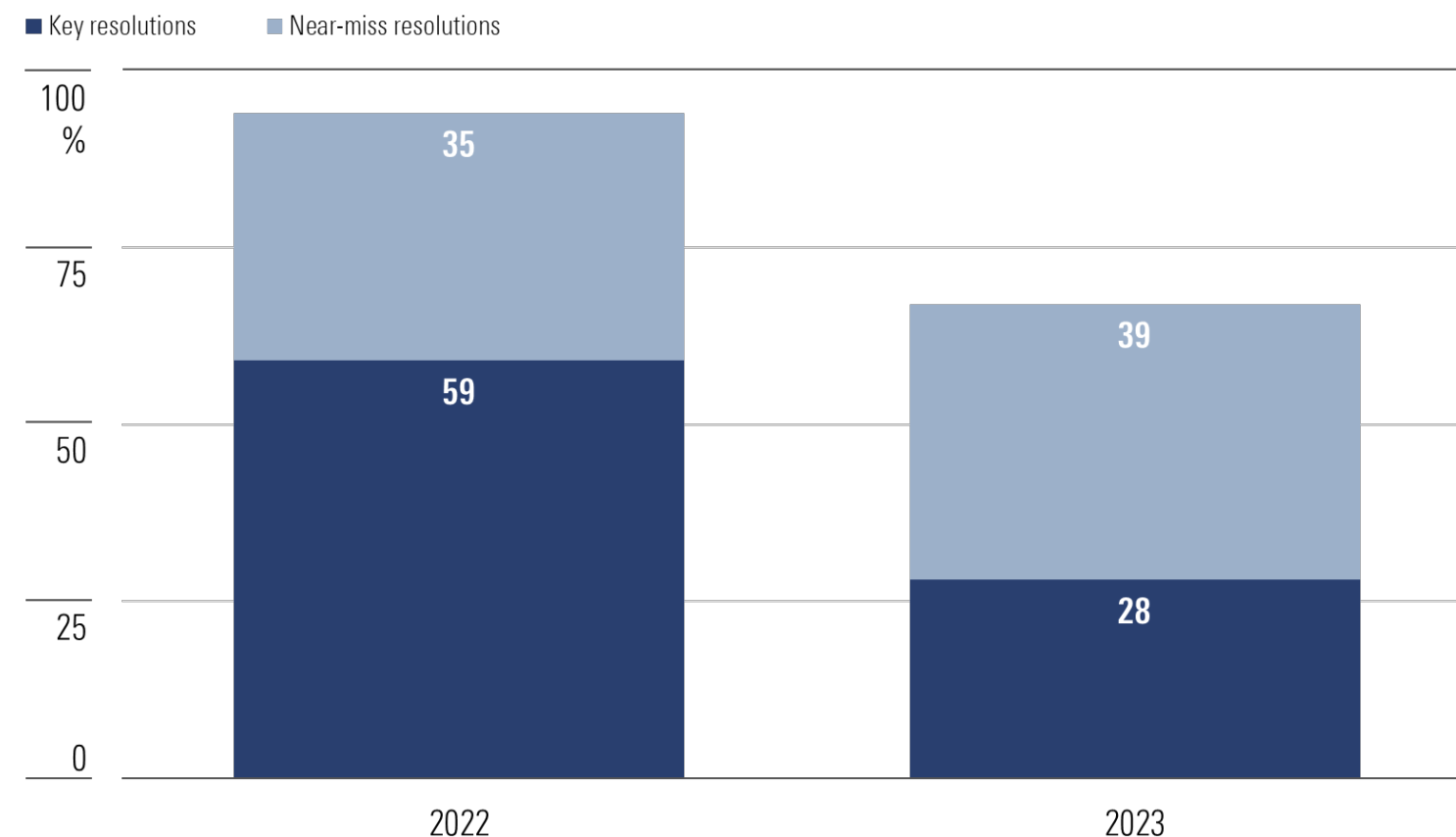
Average adjusted support for confirmed key resolutions rises considerably above 50% in both the 2022 and 2023 proxy years if we exclude the Big Three's votes. This indicates that looking at key resolutions alone doesn't tell the whole story.

In both years, **several proposals would have been key resolutions if the Big Three (particularly BlackRock and Vanguard) hadn't voted against them.** These resolutions must exist in the zone below 40% adjusted support but above 30%. In this study, we called these resolutions "near misses." We calculate that **there were 35 near-miss resolutions in the 2022 proxy year and 39 in the 2023 proxy year.**

The number of potential key resolutions below the 30% adjusted support threshold is either zero or very small. Our calculations show that the Big Three account for just over one fourth of the independent shareholding of the large-cap companies included in this study, on average. This arithmetic suggests that a resolution with less than 30% adjusted support is unlikely to have gained the support of 40% of independent shareholders excluding the Big Three.

### Number of Key Resolutions and Near-Miss Resolutions

U.S. Large-Cap Companies, 2022 and 2023 Proxy Years



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

## Big Three Support for Near-Miss Resolutions Diverges Further From the Wider Market

Even after accounting for their much lower average level of support, the Big Three firms are much less likely to vote in favor of near-miss resolutions. **On average, near-miss resolutions at U.S. large-cap companies were supported by over one third of independent shareholders** (36% in the 2022 proxy year, 34% in 2023).

At the U.S. large-cap companies, both BlackRock and Vanguard supported only five (7%) out of 74 near-miss resolutions in the last two proxy years. BlackRock supported no near-miss resolutions in 2023, while Vanguard voted “For” two in 2022 and three in 2023.

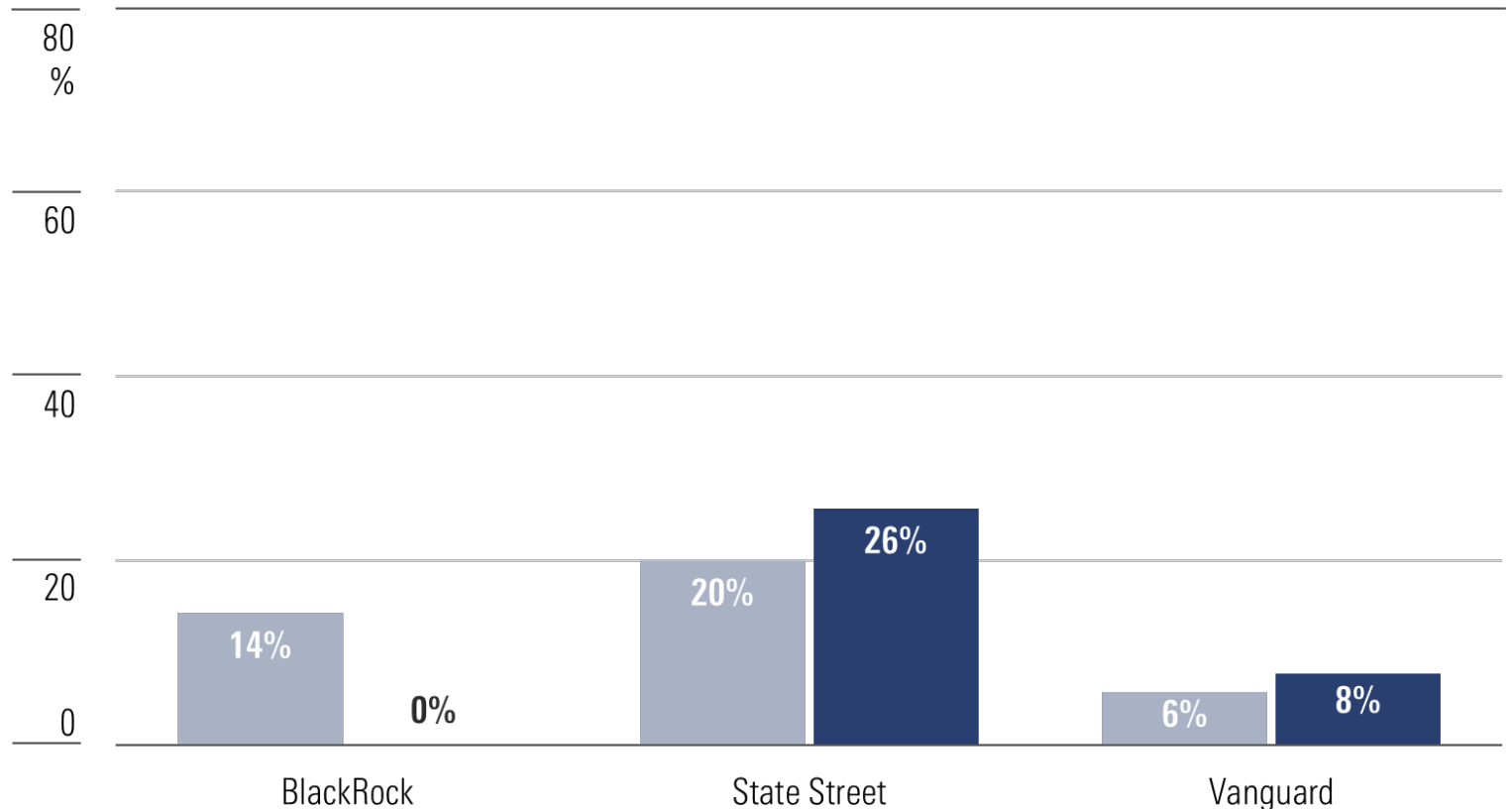
State Street’s support for near-miss resolutions considerably is higher than for the other Big Three firms. But the firm still decided not to back three fourths of these resolutions at U.S. large-cap companies over the last two proxy years.

State Street voted “For” 17 (23%) of the 74 resolutions: seven in the 2022 proxy year and 10 in 2023. The firm abstained on 10 of the 74 resolutions (four in the 2022 proxy year, six in 2023).

### Percentage of Near-Miss Resolutions Supported by Big Three Firms

U.S. Large-Cap Companies, 2022 and 2023 Proxy Years

■ 2022 ■ 2023

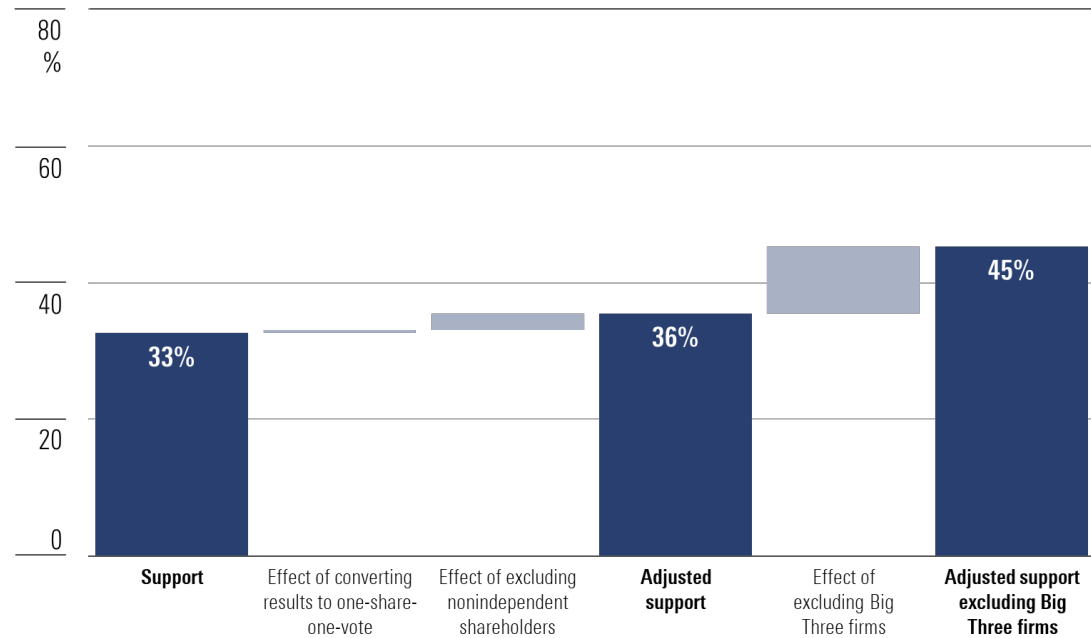


Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data representing voting decisions made by the majority of each firm's funds for proxy years ended June 30.

# Disaggregating the Effects of Voting Decisions for Near-Miss Resolutions

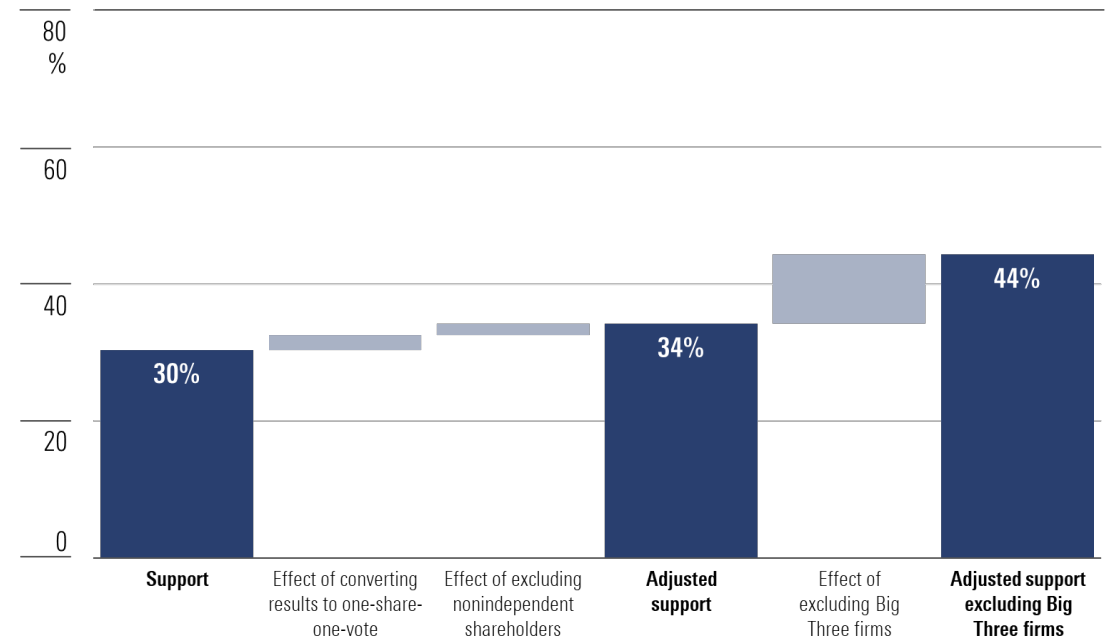
Adjusting for multiple-class share schemes and insider shareholdings has a much smaller effect for near-miss resolutions than for key resolutions. This adjustment accounts for only 3 to 4 percentage points among near-miss resolutions on average, compared with 15 to 16 percentage points for key resolutions. However, the effect of the Big Three’s lower support for near-miss resolutions is larger than for key resolutions.

**U.S. Large-Cap Near-Miss Resolutions: Average Support, 2022 Proxy Year**



**Excluding the Big Three’s votes adds 9 to 10 percentage points to adjusted support on average in both years, compared with 6 to 7 percentage points for key resolutions.** The exclusion would lift the average well clear of the 40% threshold, suggesting that there are several proposals among the near-misses that had key-resolution-level support among shareholders outside the Big Three.

**U.S. Large-Cap Near-Miss Resolutions: Average Support, 2023 Proxy Year**



Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

# Quantifying Support Outside the Big Three

Most near-miss resolutions would have been key resolutions based on their support from shareholders other than the Big Three.

## Aggregate Effect of Big Three Voting Decisions on Key and Near-Miss Resolutions Is Negative

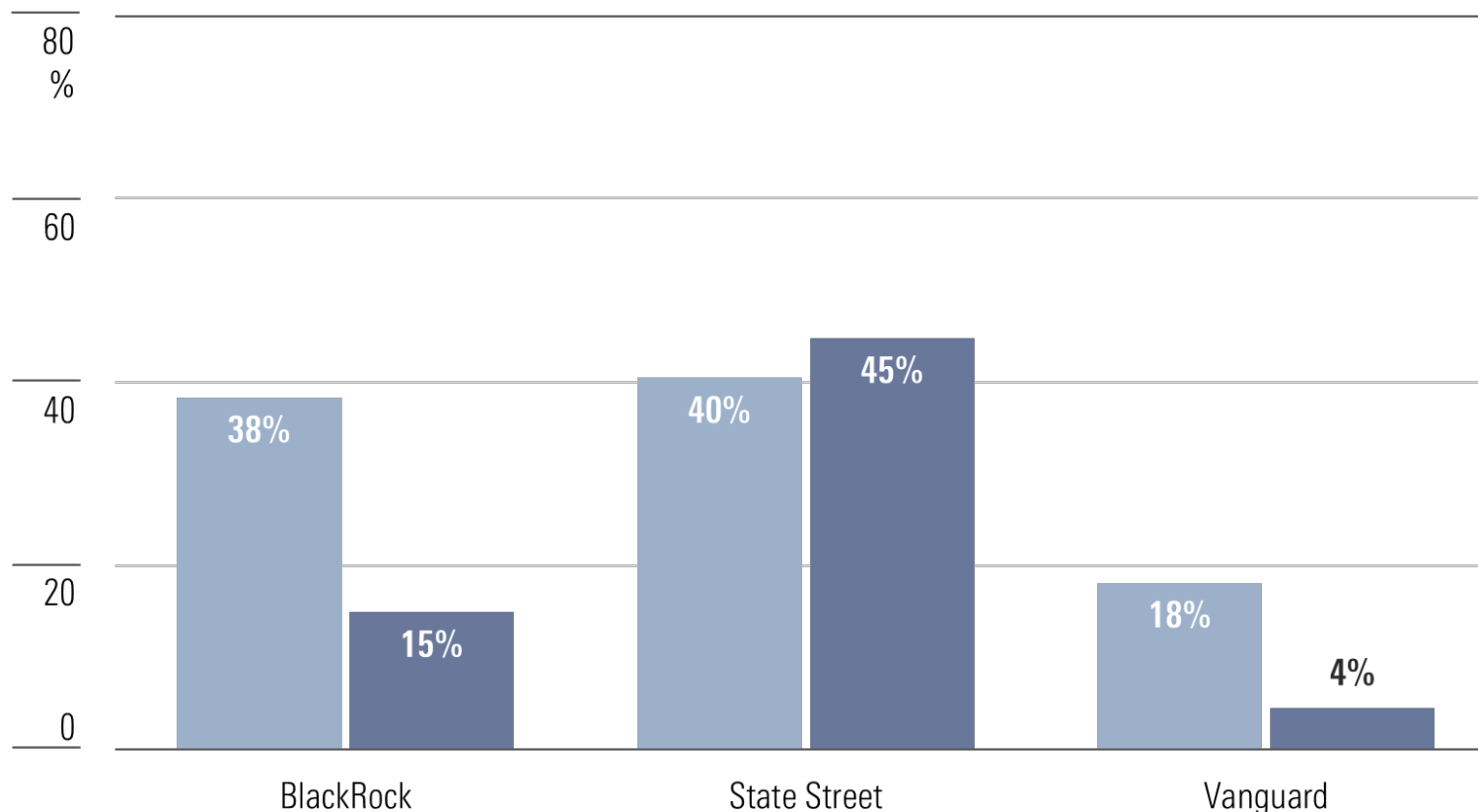
If we combine the key and near-miss resolutions into one group (containing all E&S shareholder resolutions at U.S. large caps with at least 30% adjusted support), **the average adjusted support for those 161 resolutions is 45%**: 48% for the 94 resolutions in the 2022 proxy year and 40% for the 67 resolutions in 2023. We see on the chart opposite that **only State Street supports a percentage of key and near-miss resolutions broadly in line with those averages.**

BlackRock's support was close to the average in 2022 but fell away sharply in 2023. Vanguard's support for these resolutions was low in 2022 anyway but also declined considerably in 2023. These two firms have roughly double State Street's voting power on the resolutions we analyzed, so their declining support for key and near-miss resolutions has a larger effect on the marketwide average.

### Percentage of Key and Near-Miss Resolutions Supported by Big Three Firms

U.S. Large-Cap Companies, 2022 and 2023 Proxy Years

■ 2022 ■ 2023



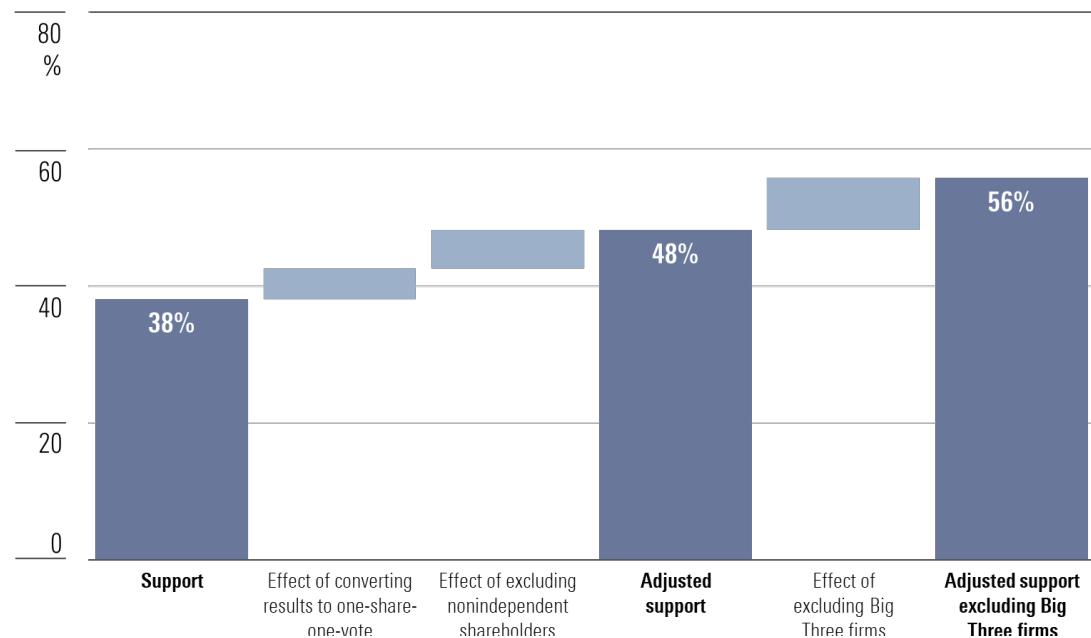
Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data representing voting decisions made by the majority of each firm's funds for proxy years ended June 30.

## Disaggregating the Effects of Voting Decisions for Key and Near-Miss Resolutions

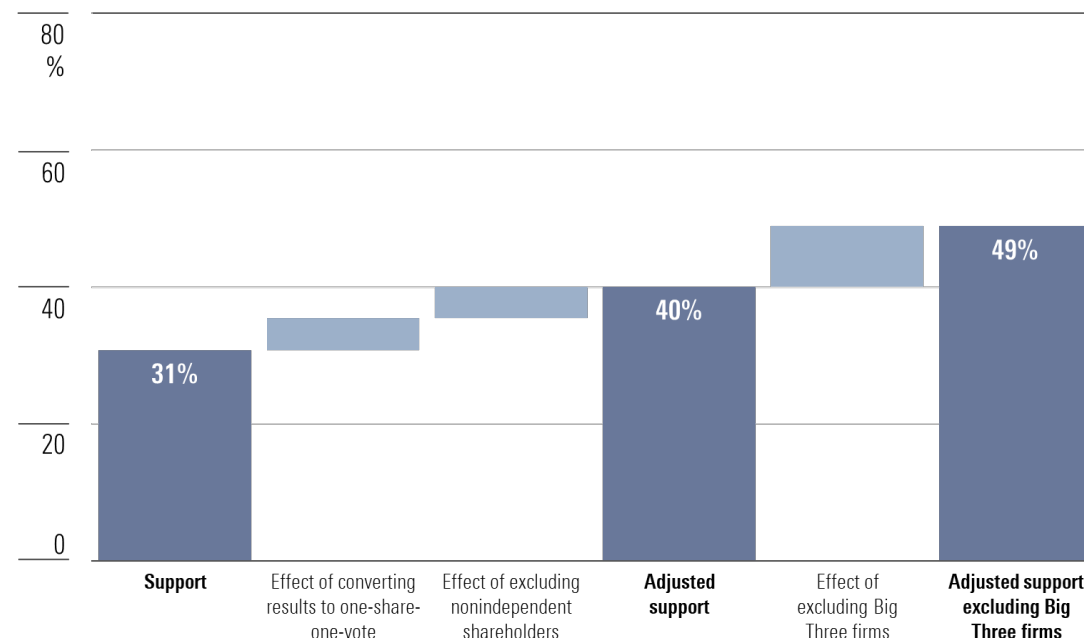
Overall, we see that **for these resolutions, independent shareholders outside the Big Three show support around 8 to 9 percentage points higher than the market as a whole**. Adjusted support excluding the Big Three is 49% in the 2023 proxy year and 56% in 2022. Comparable figures including the Big Three are 40% and 48%, respectively.

The size of the increase in average support caused by excluding the Big Three's votes suggests that most near-miss resolutions would have been key resolutions based only on votes from outside the Big Three.

**U.S. Large-Cap Key and Near-Miss Resolutions: Average Support, 2022 Proxy Year**



**U.S. Large-Cap Key and Near-Miss Resolutions: Average Support, 2023 Proxy Year**



Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

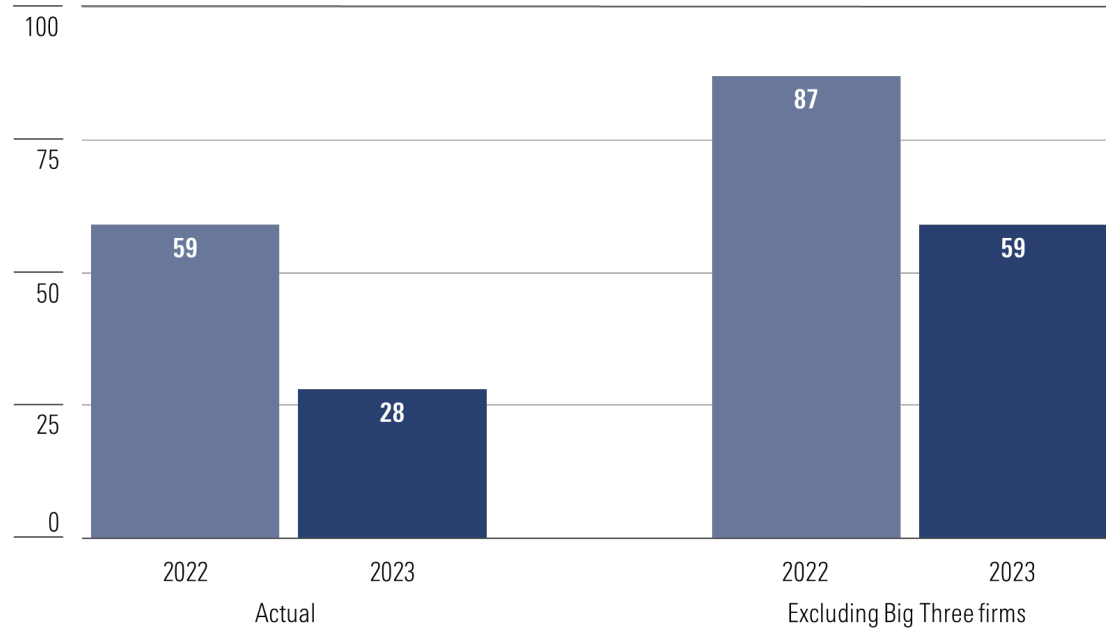


## Excluding the Big Three, There Would Be Around 30 Additional Key Resolutions in Each Year

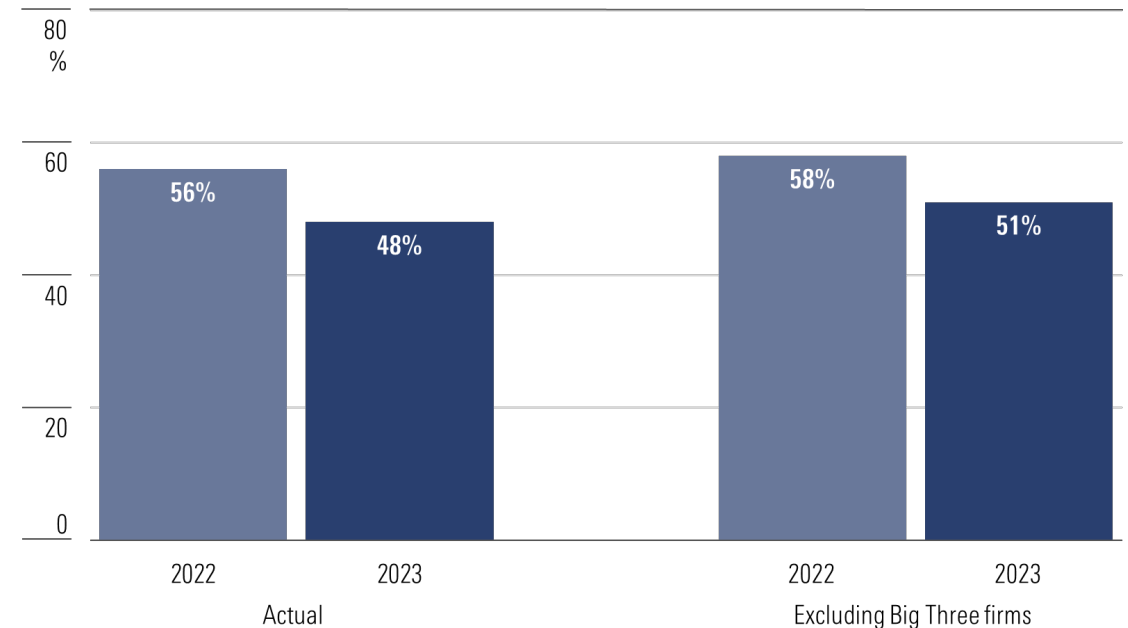
Splitting out these effects by individual resolution, we see that **around 30 near-miss resolutions would have been key resolutions counting only votes cast by independent shareholders other than the Big Three firms.** (That is, 31 out of 39 near-miss resolutions in the 2023 proxy year and 28 out of 35 in 2022.) We identify each of these resolutions in Appendix 3.

Even after including these additional key resolutions, the average support for key resolutions among independent shareholders outside the Big Three changes little. The average for the 2022 proxy year would be around 2 percentage points higher at 58%. Similarly, the average for the 2023 proxy year would be around 3 percentage points higher at 51%.

**Scenario Analysis: Number of Key Resolutions, U.S. Large Caps**



**Scenario Analysis: Average Support for Key Resolutions, U.S. Large Caps**



Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data for proxy years ended June 30.

## Several Near-Miss Resolutions Gained Majority Independent Shareholder Support Outside the Big Three

The tables opposite show near-miss resolutions with the highest support from independent shareholders outside the Big Three in the last two proxy years.

In both years, nine out of the top 10 such resolutions gained majority support among independent shareholders other than BlackRock, State Street, and Vanguard. Each of the three firms voted “Against” all 20 of these resolutions. In aggregate, the three firms held an average 30% of the independently owned shares at the companies in question.

Most of these resolutions relate to social topics. Proposals relating to political influence and activity were most common, particularly in 2023. Labor issues also featured: Resolutions requesting information on human rights risks and pay gaps at Apple and antiharassment and discrimination efforts at IBM are examples. However, climate-related matters also featured in the list in the form of proposals at Chevron and Honeywell in 2022 and RTX (formerly Raytheon) in 2023.

Full lists of Big Three voting decisions and support calculations can be found in Appendixes 2 and 3.

### Near-Miss Resolutions With Majority Adjusted Support Excluding the Big Three

U.S. Large-Cap Companies, 2022 and 2023 Proxy Years

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms	Voting Decision and % of Independent Votes Owned		
					BlackRock	State Street	Vanguard
Apple, 2023	8. Reporting on Gender/Racial Pay Gaps	34%	37%	56%	Against, 12%	Against, 7%	Against, 15%
McDonald's, 2023	11. Poultry Welfare Disclosure	39%	39%	56%	Against, 10%	Against, 7%	Against, 14%
RTX, 2023	8. Report on Greenhouse Gas Emissions Reduction Planning	38%	38%	55%	Against, 9%	Against, 11%	Against, 11%
IBM, 2023	8. Report on Anti-Harassment and Discrimination Efforts	33%	33%	54%	Against, 13%	Against, 10%	Against, 15%
Boeing, 2023	7. Lobbying Activities Report	37%	37%	53%	Against, 9%	Against, 8%	Against, 13%
AbbVie, 2023	7. Lobbying Activities Report	36%	36%	52%	Against, 11%	Against, 6%	Against, 13%
Walt Disney, 2023	7. Political Spending Disclosure	36%	36%	51%	Against, 10%	Against, 6%	Against, 13%
FedEx, 2022	7. Lobbying Activities Report	35%	39%	51%	Against, 8%	Against, 5%	Against, 10%
Goldman Sachs, 2023	5. Lobbying Activities Report	36%	36%	51%	Against, 10%	Against, 8%	Against, 12%
Eli Lilly, 2023	7. Lobbying Activities Report	31%	36%	49%	Against, 10%	Against, 5%	Against, 11%
Gilead Sciences, 2022	9. Report on Board Oversight of Anticompetitive Practices	40%	40%	57%	Against, 12%	Against, 7%	Against, 15%
Apple, 2022	7. Report on Forced Labor	34%	37%	56%	Against, 10%	Against, 7%	Against, 14%
Chevron, 2022	6. Report on Impacts of Net Zero 2050 Scenario	39%	39%	56%	Against, 9%	Against, 11%	Against, 11%
AbbVie, 2022	8. Political Spending Disclosure	40%	40%	55%	Against, 13%	Against, 10%	Against, 15%
Apple, 2022	6. Report on Government Take-Down Requests	32%	35%	53%	Against, 9%	Against, 8%	Against, 13%
Honeywell, 2022	5. Report on Climate-Related Lobbying Activities	40%	40%	53%	Against, 11%	Against, 6%	Against, 13%
Eli Lilly, 2022	9. Report on Congruence of Political Activity	34%	39%	52%	Against, 10%	Against, 6%	Against, 13%
Merck & Co, 2022	5. Report on Access to Part-Publicly Funded Vaccines	36%	36%	52%	Against, 8%	Against, 5%	Against, 10%
McDonald's, 2022	9. Lobbying Activities Report	35%	35%	51%	Against, 10%	Against, 8%	Against, 12%
Citigroup, 2022	7. Report on Policies Related to Indigenous Peoples' Rights	34%	34%	49%	Against, 10%	Against, 5%	Against, 11%

Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data representing voting decisions made by the majority of each firm's funds for proxy years ended June 30.

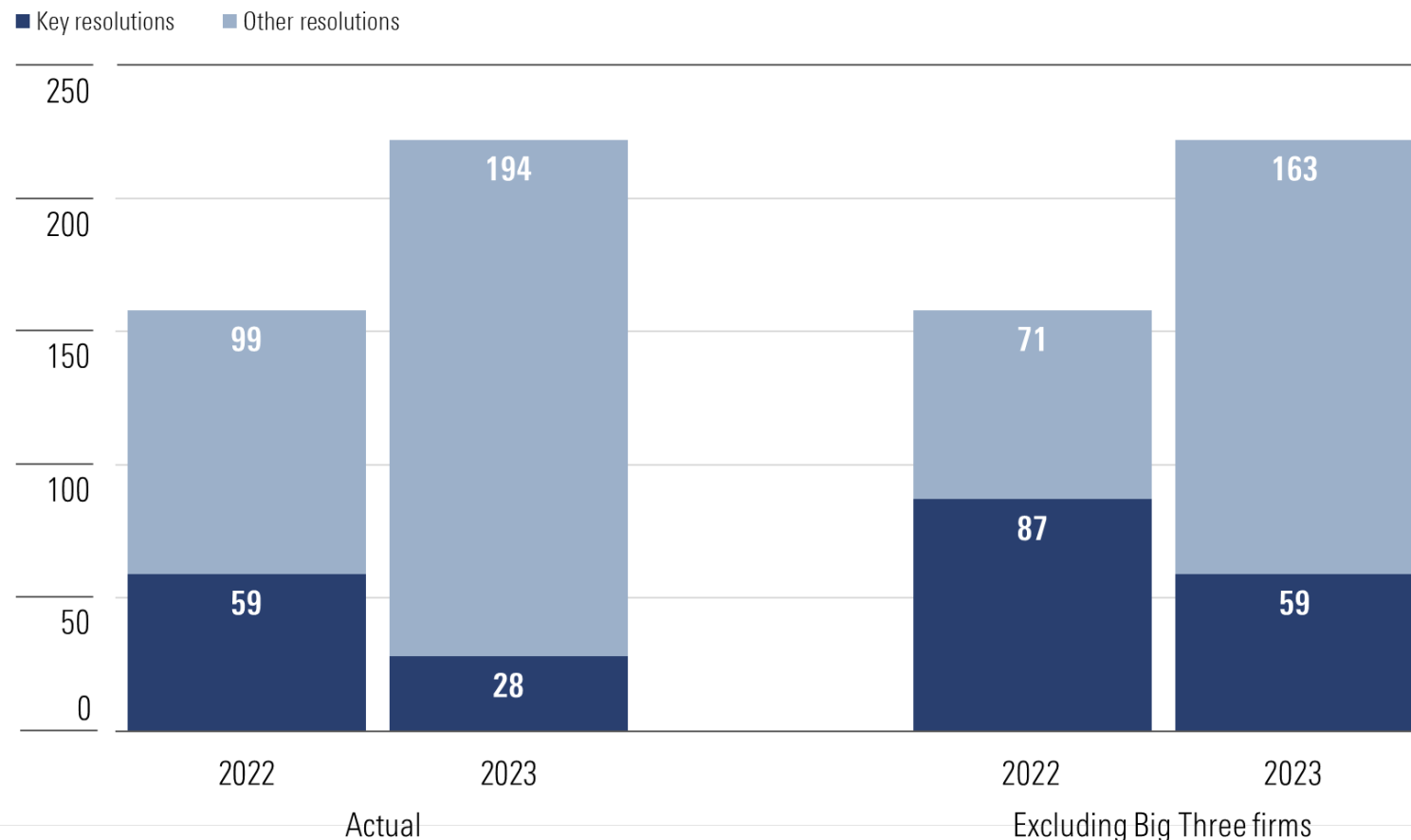
## Conclusion: More Than One Thing Can Be True

It's clear that there would have been many more key resolutions in the 2022 and 2023 proxy years if it weren't for the damping effect of the Big Three's voting decisions taken in aggregate. This does indicate that for resolutions with at least 30% adjusted support, perceptions of resolution quality among the Big Three (BlackRock and Vanguard in particular) have fallen below that of other independent shareholders in the U.S. market. Assuming large-cap trends apply to the whole U.S. market, **there would have been around 90 key resolutions in 2023 instead of 53**, excluding the Big Three's votes.

However, as the chart opposite shows, whether you include or exclude the Big Three's votes, the number of resolutions that do not achieve key-resolution status roughly doubled between 2022 and 2023: either an actual increase from 99 resolutions to 194, or an increase from 71 resolutions to 163 in the scenario excluding the Big Three. **In both cases, the number of key resolutions as a percentage of the total falls by around 25 percentage points in the 2023 proxy year compared with 2022.**

### Scenario Analysis: Number of E&S Shareholder Resolutions

U.S. Large-Cap Companies, 2022 and 2023 Proxy Years



Source: Morningstar proxy-voting database, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Chart shows data representing voting decisions made by the majority of each firm's funds for proxy years ended June 30.

# Appendix 1: Methodology

## Key and Near-Miss Shareholder Resolutions, and Scenario Analysis

### Identifying Key and Near-Miss Shareholder Resolutions

When analyzing U.S. shareholder resolutions at Morningstar, we identify as key resolutions those proposals that address environmental and social topics and gain at least 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.

In collaboration with Morningstar Sustainalytics' ESG Voting Policy Overlay Service, we identified 155 key resolutions in the last two proxy years: 102 in 2022 and 53 in 2023. 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.

Among U.S. large-cap companies (which we have identified as the S&P 100 constituents as of June 30, 2023—the end of the 2023 proxy year), we identified 59 key resolutions in 2022 and 28 in 2023.

Near-miss resolutions are identified using a similar methodology to key resolutions, with the threshold set at 30% instead of 40%. Among the U.S. large-cap companies, we identified 35 near-miss resolutions in the 2022 proxy year and 39 in 2023.

### Scenario Analysis

Using Morningstar Direct and SEC filings, we identified Big Three firms' shareholdings in U.S. large-cap companies with key and near-miss resolutions using proxy statements or 13-F filings close to the date of each shareholder meeting. We used these shareholdings to calculate the percentage of independent votes controlled by each Big Three firm at each company. We used the Morningstar proxy-voting database and asset managers' disclosures to determine the majority voting decision at each firm and applied this to the entire shareholding to calculate an adjustment for each resolution's alternative scenario excluding the Big Three. (This adjustment can only be approximate—the actual voted shareholding may differ from that disclosed in the closest public filing, and the majority voting decision may not have been applied to all funds managed by each firm.)

A full list of key and near-miss resolutions in each year, and the voting decisions and percentage shareholdings applied, can be found in Appendixes 2 and 3.

# Appendix 2: Scenario Analysis for Key Resolutions

APPENDIX 2: SCENARIO ANALYSIS FOR KEY RESOLUTIONS

# Shareholder Support for Key Resolutions, 2023 Proxy Year

## Support for Key Resolutions, 2023 Proxy Year

28 Key Resolutions at 13 U.S. Large-Cap Companies

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
Alphabet, 2023	6. Lobbying Activities Report	18%	46%	▲ 63%
Alphabet, 2023	11. Human Rights Impact Assessment of Targeted Advertising	18%	47%	▲ 58%
Alphabet, 2023	12. Algorithm Disclosures	17%	44%	▲ 48%
Alphabet, 2023	13. Report on Alignment of YouTube Policies with Legislation	18%	46%	▲ 51%
Amazon, 2023	7. Report on Customer Due Diligence on Human Rights	34%	41%	▲ 49%
Amazon, 2023	16. Additional Reporting on Freedom of Association	35%	42%	▲ 50%
Amazon, 2023	21. Report on Warehouse Working Conditions	35%	43%	▲ 51%
Amazon, 2023	23. Report on Customer Use of Facial Recognition Technologies	37%	45%	▲ 55%
Berkshire Hathaway, 2023	4. Report on Climate Risk Management	27%	51%	51%
Berkshire Hathaway, 2023	6. Report on Greenhouse Gas Emissions Reduction Initiatives	23%	44%	42%
Berkshire Hathaway, 2023	7. Diversity, Equity, and Inclusion Reports	21%	42%	▲ 45%
Boeing, 2023	9. Pay Equity Disclosure	47%	47%	▲ 57%
Charter Communications, 2023	5. Lobbying Activities Report	32%	47%	▽ 45%
FedEx, 2022	6. Report on Congruence of Political Spending	36%	40%	▲ 53%
IBM, 2023	6. Lobbying Activities Report	48%	48%	▲ 68%
McDonald's, 2023	9. Lobbying Activities Report	50%	50%	▲ 73%
Meta Platforms, 2023	5. Human Rights Impact Assessment of Targeted Advertising	17%	58%	▲ 61%
Meta Platforms, 2023	6. Lobbying Activities Report	15%	48%	▲ 58%
Meta Platforms, 2023	11. Report on Child Safety Impacts	16%	54%	▲ 66%
Starbucks, 2023	8. Assessment of Worker Rights Commitments	52%	52%	▲ 64%
Tesla, 2022	7. Reporting on Anti-Harassment and Discrimination	47%	67%	▲ 71%
Tesla, 2022	9. Reporting on Employee Arbitration	38%	54%	52%
Tesla, 2022	10. Climate-Related Lobbying Activities	35%	49%	▽ 45%
Tesla, 2022	11. Freedom of Association and Collective Bargaining Policy	33%	48%	49%
Tesla, 2022	13. Reporting on Water Risk	35%	50%	▽ 47%
Walmart, 2023	7. Racial Equity Audit	18%	42%	▲ 51%
Walmart, 2023	12. Workplace Safety and Violence Review	24%	55%	55%
Wells Fargo, 2023	10. Report on Anti-Harassment and Discrimination Efforts	55%	55%	▲ 71%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▽) if the Big Three firms' votes are excluded.

# Big Three Firms' Voting Decisions on Key Resolutions, 2023 Proxy Year

## Adjusted Support and Big Three Firms' Voting Decisions, 2023 Proxy Year

28 Key Resolutions at 13 U.S. Large-Cap Companies

		Voting Decision and % of Independent Votes Owned			
Company, Year	Item Number, Description	Adjusted Support	BlackRock	State Street	Vanguard
Alphabet, 2023	6. Lobbying Activities Report	46%	Against, 8%	Against, 8%	Against, 10%
Alphabet, 2023	11. Human Rights Impact Assessment of Targeted Advertising	47%	Against, 9%	Abstain, 8%	Against, 10%
Alphabet, 2023	12. Algorithm Disclosures	44%	Against, 8%	For, 8%	Against, 10%
Alphabet, 2023	13. Report on Alignment of YouTube Policies with Legislation	46%	Against, 8%	For, 8%	Against, 10%
Amazon, 2023	7. Report on Customer Due Diligence on Human Rights	41%	Against, 10%	For, 6%	Against, 12%
Amazon, 2023	16. Additional Reporting on Freedom of Association	42%	Against, 10%	For, 6%	Against, 12%
Amazon, 2023	21. Report on Warehouse Working Conditions	43%	Against, 10%	For, 6%	Against, 12%
Amazon, 2023	23. Report on Customer Use of Facial Recognition Technologies	45%	Against, 10%	For, 6%	Against, 12%
Berkshire Hathaway, 2023	4. Report on Climate Risk Management	51%	For, 4%	For, 3%	Against, 5%
Berkshire Hathaway, 2023	6. Report on Greenhouse Gas Emissions Reduction Initiatives	44%	For, 4%	For, 3%	Against, 5%
Berkshire Hathaway, 2023	7. Diversity, Equity, and Inclusion Reports	42%	Against, 5%	For, 3%	Against, 6%
Boeing, 2023	9. Pay Equity Disclosure	47%	Against, 9%	For, 8%	Against, 13%
Charter Communications, 2023	5. Lobbying Activities Report	47%	For, 6%	For, 5%	Against, 8%
FedEx, 2022	6. Report on Congruence of Political Spending	40%	Against, 8%	Against, 5%	Against, 10%
IBM, 2023	6. Lobbying Activities Report	48%	Against, 14%	Abstain, 11%	Against, 16%
McDonald's, 2023	9. Lobbying Activities Report	50%	Against, 10%	Against, 7%	Against, 14%
Meta Platforms, 2023	5. Human Rights Impact Assessment of Targeted Advertising	58%	For, 10%	Abstain, 6%	Against, 12%
Meta Platforms, 2023	6. Lobbying Activities Report	48%	Against, 10%	For, 6%	Against, 12%
Meta Platforms, 2023	11. Report on Child Safety Impacts	54%	Against, 10%	For, 6%	Against, 12%
Starbucks, 2023	8. Assessment of Worker Rights Commitments	52%	Against, 10%	For, 6%	Against, 12%
Tesla, 2022	7. Reporting on Anti-Harassment and Discrimination	67%	For, 11%	For, 7%	Against, 13%
Tesla, 2022	9. Reporting on Employee Arbitration	54%	For, 11%	For, 7%	Against, 13%
Tesla, 2022	10. Climate-Related Lobbying Activities	49%	For, 11%	For, 7%	Against, 13%
Tesla, 2022	11. Freedom of Association and Collective Bargaining Policy	48%	For, 12%	Abstain, 7%	Against, 14%
Tesla, 2022	13. Reporting on Water Risk	50%	For, 11%	For, 7%	Against, 13%
Walmart, 2023	7. Racial Equity Audit	42%	Against, 10%	For, 6%	Against, 14%
Walmart, 2023	12. Workplace Safety and Violence Review	55%	For, 10%	For, 6%	Against, 14%
Wells Fargo, 2023	10. Report on Anti-Harassment and Discrimination Efforts	55%	Against, 10%	Abstain, 5%	Against, 12%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.



# Shareholder Support for Key Resolutions, 2022 Proxy Year

## Support for Key Resolutions, 2022 Proxy Year

59 Key Resolutions at 28 U.S. Large-Cap Companies (1–30: Alphabet to Exxon Mobil)

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
Alphabet, 2022	5. Lobbying Activities Report	19%	52%	▲ 68%
Alphabet, 2022	6. Report on Climate-Related Lobbying Activities	19%	53%	▲ 66%
Alphabet, 2022	8. Report on Water Management Risks	23%	62%	63%
Alphabet, 2022	9. Racial Equity Audit	22%	61%	▲ 68%
Alphabet, 2022	15. Algorithm Disclosures	20%	53%	▲ 58%
Alphabet, 2022	16. Misinformation and Disinformation	23%	63%	65%
Amazon, 2022	6. Customer Use of Surveillance Technologies	40%	49%	▲ 58%
Amazon, 2022	8. Report on Packaging Materials	49%	59%	60%
Amazon, 2022	13. Reporting on Freedom of Association	39%	47%	▲ 56%
Amazon, 2022	14. Lobbying Activities Report	47%	57%	57%
Amazon, 2022	16. Report on Warehouse Working Conditions	44%	53%	▲ 64%
Amazon, 2022	19. Facial Recognition Technology and Human Rights	41%	49%	▲ 59%
Apple, 2022	9. Civil Rights Audit	54%	59%	60%
Apple, 2022	10. Report on Concealment Clauses	50%	55%	▲ 73%
AT&T, 2022	6. Report on Congruence of Political Spending	44%	44%	▲ 70%
Berkshire Hathaway, 2022	3. Report on Climate Risk Management	27%	50%	▽ 43%
Berkshire Hathaway, 2022	4. Report on Greenhouse Gas Emissions Reduction Initiatives	27%	50%	▽ 43%
Berkshire Hathaway, 2022	5. Diversity, Equity, and Inclusion Reports	26%	49%	▽ 41%
Boeing, 2022	5. Lobbying Activities Report	41%	41%	▲ 59%
Caterpillar, 2022	5. Lobbying Activities Report	45%	45%	▲ 67%
Charter Communications, 2022	3. Lobbying Activities Report	39%	56%	▽ 46%
Charter Communications, 2022	5. Report on Congruence of Political Spending	30%	43%	▲ 47%
Charter Communications, 2022	6. Disclosure of Greenhouse Gas Emissions	37%	54%	▲ 62%
Charter Communications, 2022	7. EEO-1 Reporting	45%	65%	▽ 58%
Charter Communications, 2022	8. Diversity, Equity, and Inclusion Reports	45%	64%	▽ 56%
Chevron, 2022	9. Racial Equity Audit	47%	47%	▲ 54%
ConocoPhillips, 2022	7. Greenhouse Gas Emissions Targets	42%	42%	▲ 54%
Costco Wholesale, 2022	5. Greenhouse Gas Emissions Targets	70%	70%	▲ 75%
Eli Lilly, 2022	8. Lobbying Activities Report	37%	43%	▲ 57%
Exxon Mobil, 2022	8. Report on Climate Scenario Analysis	51%	51%	▲ 54%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▼) if the Big Three firms' votes are excluded.

## Shareholder Support for Key Resolutions, 2022 Proxy Year (cont'd)

### Support for Key Resolutions, 2022 Proxy Year

59 Key Resolutions at 28 U.S. Large-Cap Companies (31–59: FedEx to Walt Disney)

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
FedEx, 2021	5. Political Spending Disclosure	39%	43%	▲ 54%
FedEx, 2021	6. Lobbying Activities Report	62%	69%	▽ 59%
Gilead Sciences, 2022	8. Lobbying Activities Report	50%	50%	▲ 72%
Home Depot, 2022	7. Report on Political Spending Alignment	43%	43%	▲ 60%
Home Depot, 2022	9. Report on Deforestation	65%	65%	▲ 68%
Home Depot, 2022	10. Racial Equity Audit	63%	63%	▲ 75%
IBM, 2022	6. Report on Concealment Clauses	65%	65%	▲ 80%
Johnson & Johnson, 2022	7. Racial Equity Audit	63%	63%	64%
Johnson & Johnson, 2022	12. Lobbying Activities Report on Universal Health Coverage	43%	43%	▲ 51%
Lowe's Companies, 2022	5. Report on Racial and Gender Pay Gaps	58%	58%	▲ 62%
McDonald's, 2022	5. Report on Reducing Plastics Use	42%	42%	▲ 45%
McDonald's, 2022	8. Civil Rights Audit	56%	56%	▲ 65%
Meta Platforms, 2022	6. Report on Concealment Clauses	19%	62%	▲ 69%
Meta Platforms, 2022	8. Community Standards Enforcement	19%	63%	65%
Meta Platforms, 2022	10. Human Rights Impact Assessment of Targeted Advertising	24%	78%	▽ 70%
Meta Platforms, 2022	11. Report on Child Safety Impacts	17%	57%	▲ 70%
Meta Platforms, 2022	13. Lobbying Activities Report	21%	67%	69%
Microsoft, 2021	5. Pay Equity Report	40%	40%	▲ 56%
Microsoft, 2021	6. Sexual Harassment	78%	78%	78%
Mondelez, 2022	4. Racial Equity Audit	49%	49%	▲ 65%
Netflix, 2022	8. Lobbying Activities Report	60%	60%	61%
Nike, 2021	4. Political Spending Disclosure	31%	54%	▲ 83%
Nike, 2021	5. Human Rights Impact Assessment	28%	49%	▲ 56%
Nike, 2021	7. Report on Diversity and Inclusion Efforts	36%	63%	▲ 75%
Oracle, 2021	5. Racial Equity Audit	32%	67%	▲ 74%
Tesla, 2021	6. Workforce Diversity and Inclusion	57%	83%	▽ 72%
Tesla, 2021	7. Mandatory Arbitration of Employment-Related Claims	46%	67%	▲ 73%
Tesla, 2021	8. Board-Level Committee on Human Capital Management	34%	49%	51%
Walt Disney, 2022	7. Pay Equity Report	60%	60%	61%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▽) if the Big Three firms' votes are excluded.

# Big Three Firms' Voting Decisions on Key Resolutions, 2022 Proxy Year

## Adjusted Support and Big Three Firms' Voting Decisions, 2022 Proxy Year

59 Key Resolutions at 28 U.S. Large-Cap Companies (1–30: Alphabet to Exxon Mobil)

		Voting Decision and % of Independent Votes Owned			
Company, Year	Item Number, Description	Adjusted Support	BlackRock	State Street	Vanguard
Alphabet, 2022	5. Lobbying Activities Report	52%	Against, 9%	Against, 5%	Against, 10%
Alphabet, 2022	6. Report on Climate-Related Lobbying Activities	53%	Against, 9%	Abstain, 5%	Against, 11%
Alphabet, 2022	8. Report on Water Management Risks	62%	For, 9%	For, 5%	Against, 10%
Alphabet, 2022	9. Racial Equity Audit	61%	For, 9%	Against, 5%	Against, 10%
Alphabet, 2022	15. Algorithm Disclosures	53%	For, 9%	Against, 5%	Against, 10%
Alphabet, 2022	16. Misinformation and Disinformation	63%	For, 9%	For, 5%	Against, 10%
Amazon, 2022	6. Customer Use of Surveillance Technologies	49%	Against, 9%	For, 5%	Against, 11%
Amazon, 2022	8. Report on Packaging Materials	59%	For, 9%	For, 5%	Against, 11%
Amazon, 2022	13. Reporting on Freedom of Association	47%	Against, 9%	For, 5%	Against, 11%
Amazon, 2022	14. Lobbying Activities Report	57%	For, 9%	For, 5%	Against, 11%
Amazon, 2022	16. Report on Warehouse Working Conditions	53%	Against, 9%	For, 5%	Against, 11%
Amazon, 2022	19. Facial Recognition Technology and Human Rights	49%	Against, 9%	For, 5%	Against, 11%
Apple, 2022	9. Civil Rights Audit	59%	For, 12%	For, 7%	Against, 14%
Apple, 2022	10. Report on Concealment Clauses	55%	Against, 12%	For, 7%	Against, 15%
AT&T, 2022	6. Report on Congruence of Political Spending	44%	Against, 14%	Against, 7%	Against, 15%
Berkshire Hathaway, 2022	3. Report on Climate Risk Management	50%	For, 4%	For, 3%	For, 6%
Berkshire Hathaway, 2022	4. Report on Greenhouse Gas Emissions Reduction Initiatives	50%	For, 4%	For, 3%	For, 6%
Berkshire Hathaway, 2022	5. Diversity, Equity, and Inclusion Reports	49%	For, 4%	For, 3%	For, 6%
Boeing, 2022	5. Lobbying Activities Report	41%	Against, 10%	Against, 8%	Against, 13%
Caterpillar, 2022	5. Lobbying Activities Report	45%	Against, 10%	Against, 11%	Against, 13%
Charter Communications, 2022	3. Lobbying Activities Report	56%	For, 7%	For, 4%	For, 6%
Charter Communications, 2022	5. Report on Congruence of Political Spending	43%	Against, 7%	For, 4%	Against, 6%
Charter Communications, 2022	6. Disclosure of Greenhouse Gas Emissions	54%	Against, 7%	Abstain, 4%	Against, 6%
Charter Communications, 2022	7. EEO-1 Reporting	65%	For, 7%	For, 4%	For, 6%
Charter Communications, 2022	8. Diversity, Equity, and Inclusion Reports	64%	For, 7%	For, 4%	For, 6%
Chevron, 2022	9. Racial Equity Audit	47%	Against, 9%	For, 10%	Against, 12%
ConocoPhillips, 2022	7. Greenhouse Gas Emissions Targets	42%	Against, 12%	Abstain, 7%	Against, 11%
Costco Wholesale, 2022	5. Greenhouse Gas Emissions Targets	70%	Against, 11%	Abstain, 7%	For, 14%
Eli Lilly, 2022	8. Lobbying Activities Report	43%	Against, 9%	Against, 5%	Against, 10%
Exxon Mobil, 2022	8. Report on Climate Scenario Analysis	51%	For, 11%	Abstain, 11%	Against, 15%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.

APPENDIX 2: SCENARIO ANALYSIS FOR KEY RESOLUTIONS

Big Three Firms' Voting Decisions on Key Resolutions, 2022 Proxy Year (cont'd)

Adjusted Support and Big Three Firms' Voting Decisions, 2022 Proxy Year

59 Key Resolutions at 28 U.S. Large-Cap Companies (31–59: FedEx to Walt Disney)

		Voting Decision and % of Independent Votes Owned			
Company, Year	Item Number, Description	Adjusted Support	BlackRock	State Street	Vanguard
FedEx, 2021	5. Political Spending Disclosure	43%	Against, 10%	Abstain, 6%	Against, 11%
FedEx, 2021	6. Lobbying Activities Report	69%	For, 10%	For, 6%	For, 10%
Gilead Sciences, 2022	8. Lobbying Activities Report	50%	Against, 13%	Against, 6%	Against, 11%
Home Depot, 2022	7. Report on Political Spending Alignment	43%	Against, 10%	Against, 6%	Against, 13%
Home Depot, 2022	9. Report on Deforestation	65%	For, 10%	For, 6%	Against, 13%
Home Depot, 2022	10. Racial Equity Audit	63%	For, 10%	Against, 6%	Against, 13%
IBM, 2022	6. Report on Concealment Clauses	65%	Against, 12%	Against, 10%	For, 14%
Johnson & Johnson, 2022	7. Racial Equity Audit	63%	For, 11%	For, 8%	Against, 12%
Johnson & Johnson, 2022	12. Lobbying Activities Report on Universal Health Coverage	43%	Against, 11%	For, 8%	Against, 12%
Lowe's Companies, 2022	5. Report on Racial and Gender Pay Gaps	58%	For, 10%	Abstain, 6%	Against, 12%
McDonald's, 2022	5. Report on Reducing Plastics Use	42%	For, 11%	Against, 7%	Against, 13%
McDonald's, 2022	8. Civil Rights Audit	56%	For, 11%	Against, 7%	Against, 13%
Meta Platforms, 2022	6. Report on Concealment Clauses	62%	Against, 10%	Against, 6%	For, 11%
Meta Platforms, 2022	8. Community Standards Enforcement	63%	For, 10%	For, 6%	Against, 11%
Meta Platforms, 2022	10. Human Rights Impact Assessment of Targeted Advertising	78%	For, 10%	For, 6%	For, 11%
Meta Platforms, 2022	11. Report on Child Safety Impacts	57%	Against, 10%	For, 6%	Against, 11%
Meta Platforms, 2022	13. Lobbying Activities Report	67%	Against, 10%	For, 6%	For, 11%
Microsoft, 2021	5. Pay Equity Report	40%	Against, 10%	Against, 6%	Against, 12%
Microsoft, 2021	6. Sexual Harassment	78%	For, 10%	Against, 6%	For, 12%
Mondelez, 2022	4. Racial Equity Audit	49%	Against, 8%	Against, 6%	Against, 11%
Nefflix, 2022	8. Lobbying Activities Report	60%	For, 9%	For, 5%	Against, 10%
Nike, 2021	4. Political Spending Disclosure	54%	Against, 13%	Against, 8%	Against, 15%
Nike, 2021	5. Human Rights Impact Assessment	49%	For, 13%	Against, 8%	Against, 15%
Nike, 2021	7. Report on Diversity and Inclusion Efforts	63%	Against, 13%	Against, 8%	For, 15%
Oracle, 2021	5. Racial Equity Audit	67%	For, 11%	For, 7%	Against, 16%
Tesla, 2021	6. Workforce Diversity and Inclusion	83%	For, 14%	For, 8%	For, 16%
Tesla, 2021	7. Mandatory Arbitration of Employment-Related Claims	67%	For, 13%	For, 8%	Against, 16%
Tesla, 2021	8. Board-Level Committee on Human Capital Management	49%	For, 14%	Abstain, 8%	Against, 16%
Walt Disney, 2022	7. Pay Equity Report	60%	For, 10%	For, 6%	Against, 13%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.

# Appendix 3: Scenario Analysis for Near-Miss Resolutions

## Shareholder Support for Near-Miss Resolutions, 2023 Proxy Year

### Support for Near-Miss Resolutions, 2023 Proxy Year

39 Near-Miss Resolutions at 28 U.S. Large-Cap Companies (1–25: AbbVie to JPMorgan Chase)

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
AbbVie, 2023	7. Lobbying Activities Report	36%	36%	▲ 52%
Alphabet, 2023	8. Climate-Related Lobbying Activities Report	14%	36%	▲ 38%
Alphabet, 2023	10. Human Rights Assessment of Data Center Siting	13%	34%	35%
Altria, 2023	6. Civil Rights Audit	31%	31%	▲ 45%
Amazon, 2023	10. Additional Reporting on Climate-Related Stakeholder Impacts	28%	34%	▲ 44%
Amazon, 2023	13. Additional Reporting on Gender/Racial Pay Gaps	29%	35%	▲ 49%
Amazon, 2023	22. Report on Plastic Packaging Materials	32%	39%	▲ 46%
Apple, 2023	8. Reporting on Gender/Racial Pay Gaps	34%	37%	▲ 56%
Bank of America, 2023	9. Report on Climate Transition Planning	28%	35%	▲ 40%
Berkshire Hathaway, 2023	5. Disclosure on Climate Risk Governance	18%	34%	▽ 30%
Boeing, 2023	7. Lobbying Activities Report	37%	37%	▲ 53%
Boeing, 2023	8. Climate-Related Lobbying Activities Report	37%	37%	▲ 48%
Citigroup, 2023	8. Report on Effectiveness of Indigenous Rights Policies	31%	31%	▽ 27%
Dow, 2023	5. Report on Single-Use Plastics	30%	30%	▲ 44%
Eli Lilly, 2023	7. Lobbying Activities Report	31%	36%	▲ 49%
Eli Lilly, 2023	12. Report on Effectiveness of DEI Policies	27%	31%	▲ 42%
Exxon Mobil, 2023	8. Report on Methane Emissions Disclosures	36%	36%	▲ 42%
FedEx, 2022	7. Lobbying Activities Report	35%	39%	▲ 51%
Goldman Sachs, 2023	5. Lobbying Activities Report	36%	36%	▲ 51%
Goldman Sachs, 2023	12. Pay Equity Disclosure	31%	31%	▲ 40%
Home Depot, 2023	7. Report on Congruence of Political Spending	31%	31%	▲ 45%
IBM, 2023	8. Report on Anti-Harassment and Discrimination Efforts	33%	33%	▲ 54%
Johnson & Johnson, 2023	6. Report on Access to Part-Publicly Funded Vaccines	32%	32%	▲ 47%
JPMorgan Chase, 2023	9. Report on Climate Transition Planning	35%	35%	▲ 41%
JPMorgan Chase, 2023	11. Report on Congruence of Political Spending	32%	32%	▲ 45%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▼) if the Big Three firms' votes are excluded. Shaded resolutions are those that would have been key resolutions if the Big Three's votes are excluded.

## Shareholder Support for Near-Miss Resolutions, 2023 Proxy Year (cont'd)

### Support for Near-Miss Resolutions, 2023 Proxy Year

39 Near-Miss Resolutions at 28 U.S. Large-Cap Companies (26–39: Lockheed Martin to Wells Fargo)

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
Lockheed Martin, 2023	7. Report on Greenhouse Gas Emissions Reduction Planning	35%	35%	▲ 46%
Mastercard, 2023	8. Lobbying Activities Report	28%	33%	▲ 44%
McDonald's, 2023	11. Poultry Welfare Disclosure	39%	39%	▲ 56%
Merck & Co, 2023	6. Report on Access to Part-Publicly Funded Vaccines	31%	31%	▲ 45%
Merck & Co, 2023	8. Report on Patents and Access to Medicine	31%	31%	▲ 45%
Meta Platforms, 2023	8. Report on Congruence of Political Activity	10%	32%	▲ 37%
Meta Platforms, 2023	9. Report on Abortion Law-Related Privacy Measures	10%	32%	▲ 44%
Netflix, 2023	8. Policy on Freedom of Association	36%	36%	▲ 45%
Pfizer, 2023	8. Report on Patents and Access to Medicine	30%	30%	▲ 45%
RTX, 2023	8. Report on Greenhouse Gas Emissions Reduction Planning	38%	38%	▲ 55%
Walt Disney, 2023	7. Political Spending Disclosure	36%	36%	▲ 51%
Wells Fargo, 2023	7. Climate Lobbying Report	32%	32%	▲ 37%
Wells Fargo, 2023	8. Climate Transition Report	31%	31%	▲ 35%
Wells Fargo, 2023	11. Policy on Freedom of Association and Collective Bargaining	36%	36%	▽ 31%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▽) if the Big Three firms' votes are excluded. Shaded resolutions are those that would have been key resolutions if the Big Three's votes are excluded.

## Big Three Firms' Voting Decisions on Near-Miss Resolutions, 2023 Proxy Year

### Adjusted Support and Big Three Firms' Voting Decisions, 2023 Proxy Year

39 Near-Miss Resolutions at 28 U.S. Large-Cap Companies (1–25: AbbVie to JPMorgan Chase)

Company, Year	Item Number, Description	Adjusted Support	Voting Decision and % of Independent Votes Owned		
			BlackRock	State Street	Vanguard
AbbVie, 2023	7. Lobbying Activities Report	36%	Against, 11%	Against, 6%	Against, 13%
Alphabet, 2023	8. Climate-Related Lobbying Activities Report	36%	Against, 8%	For, 8%	Against, 10%
Alphabet, 2023	10. Human Rights Assessment of Data Center Siting	34%	Against, 8%	For, 8%	Against, 10%
Altria, 2023	6. Civil Rights Audit	31%	Against, 11%	Against, 6%	Against, 15%
Amazon, 2023	10. Additional Reporting on Climate-Related Stakeholder Impacts	34%	Against, 10%	Abstain, 6%	Against, 12%
Amazon, 2023	13. Additional Reporting on Gender/Racial Pay Gaps	35%	Against, 10%	Against, 6%	Against, 12%
Amazon, 2023	22. Report on Plastic Packaging Materials	39%	Against, 10%	For, 6%	Against, 12%
Apple, 2023	8. Reporting on Gender/Racial Pay Gaps	37%	Against, 12%	Against, 7%	Against, 15%
Bank of America, 2023	9. Report on Climate Transition Planning	35%	Against, 10%	For, 6%	Against, 13%
Berkshire Hathaway, 2023	5. Disclosure on Climate Risk Governance	34%	Against, 4%	For, 3%	For, 5%
Boeing, 2023	7. Lobbying Activities Report	37%	Against, 9%	Against, 8%	Against, 13%
Boeing, 2023	8. Climate-Related Lobbying Activities Report	37%	Against, 10%	Abstain, 8%	Against, 14%
Citigroup, 2023	8. Report on Effectiveness of Indigenous Rights Policies	31%	Against, 13%	Against, 7%	For, 13%
Dow, 2023	5. Report on Single-Use Plastics	30%	Against, 10%	Against, 13%	Against, 8%
Eli Lilly, 2023	7. Lobbying Activities Report	36%	Against, 10%	Against, 5%	Against, 11%
Eli Lilly, 2023	12. Report on Effectiveness of DEI Policies	31%	Against, 10%	Against, 5%	Against, 11%
Exxon Mobil, 2023	8. Report on Methane Emissions Disclosures	36%	Against, 11%	For, 8%	Against, 14%
FedEx, 2022	7. Lobbying Activities Report	39%	Against, 8%	Against, 5%	Against, 10%
Goldman Sachs, 2023	5. Lobbying Activities Report	36%	Against, 10%	Against, 8%	Against, 12%
Goldman Sachs, 2023	12. Pay Equity Disclosure	31%	Against, 10%	Abstain, 9%	Against, 13%
Home Depot, 2023	7. Report on Congruence of Political Spending	31%	Against, 11%	Against, 6%	Against, 13%
IBM, 2023	8. Report on Anti-Harassment and Discrimination Efforts	33%	Against, 13%	Against, 10%	Against, 15%
Johnson & Johnson, 2023	6. Report on Access to Part-Publicly Funded Vaccines	32%	Against, 11%	Against, 8%	Against, 14%
JPMorgan Chase, 2023	9. Report on Climate Transition Planning	35%	Against, 9%	For, 6%	Against, 13%
JPMorgan Chase, 2023	11. Report on Congruence of Political Spending	32%	Against, 9%	Against, 6%	Against, 13%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.



## Big Three Firms' Voting Decisions on Near-Miss Resolutions, 2023 Proxy Year (cont'd)

### Adjusted Support and Big Three Firms' Voting Decisions, 2023 Proxy Year

39 Near-Miss Resolutions at 28 U.S. Large-Cap Companies (26–39: Lockheed Martin to Wells Fargo)

Company, Year	Item Number, Description	Adjusted Support	Voting Decision and % of Independent Votes Owned		
			BlackRock	State Street	Vanguard
Lockheed Martin, 2023	7. Report on Greenhouse Gas Emissions Reduction Planning	35%	Against, 10%	Abstain, 21%	Against, 13%
Mastercard, 2023	8. Lobbying Activities Report	33%	Against, 9%	Against, 5%	Against, 11%
McDonald's, 2023	11. Poultry Welfare Disclosure	39%	Against, 10%	Against, 7%	Against, 14%
Merck & Co, 2023	6. Report on Access to Part-Publicly Funded Vaccines	31%	Against, 12%	Against, 6%	Against, 12%
Merck & Co, 2023	8. Report on Patents and Access to Medicine	31%	Against, 12%	Against, 6%	Against, 12%
Meta Platforms, 2023	8. Report on Congruence of Political Activity	32%	Against, 10%	For, 6%	Against, 12%
Meta Platforms, 2023	9. Report on Abortion Law-Related Privacy Measures	32%	Against, 10%	Against, 6%	Against, 12%
Netflix, 2023	8. Policy on Freedom of Association	36%	Against, 11%	Abstain, 5%	Against, 8%
Pfizer, 2023	8. Report on Patents and Access to Medicine	30%	Against, 12%	Against, 7%	Against, 13%
RTX, 2023	8. Report on Greenhouse Gas Emissions Reduction Planning	38%	Against, 9%	Against, 11%	Against, 11%
Walt Disney, 2023	7. Political Spending Disclosure	36%	Against, 10%	Against, 6%	Against, 13%
Wells Fargo, 2023	7. Climate Lobbying Report	32%	Against, 10%	For, 5%	Against, 11%
Wells Fargo, 2023	8. Climate Transition Report	31%	Against, 10%	For, 5%	Against, 11%
Wells Fargo, 2023	11. Policy on Freedom of Association and Collective Bargaining	36%	Against, 10%	Abstain, 5%	For, 12%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.

## Shareholder Support for Near-Miss Resolutions, 2022 Proxy Year

### Support for Near-Miss Resolutions, 2022 Proxy Year

35 Near-Miss Resolutions at 27 U.S. Large-Cap Companies (1–25: Abbott Laboratories to Pfizer)

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
Abbott Laboratories, 2022	7. Lobbying Activities Report	35%	35%	▲ 47%
AbbVie, 2022	7. Report on Board Oversight of Anticompetitive Practices	33%	33%	▲ 47%
AbbVie, 2022	8. Political Spending Disclosure	40%	40%	▲ 55%
Alphabet, 2022	10. Report on Concealment Clauses	12%	33%	31%
Amazon, 2022	10. Report on Concealment Clauses	25%	30%	▲ 33%
Amazon, 2022	17. Racial and Gender Pay Gap Report	29%	35%	▲ 47%
Apple, 2022	6. Report on Government Take-Down Requests	32%	35%	▲ 53%
Apple, 2022	7. Report on Forced Labor	34%	37%	▲ 56%
Apple, 2022	8. Reporting on Gender/Racial Pay Gaps	34%	37%	▲ 46%
Charles Schwab, 2022	8. Lobbying Activities Report	35%	38%	▲ 47%
Chevron, 2022	5. Adopt Greenhouse Gas Reduction Targets	33%	33%	▲ 47%
Chevron, 2022	6. Report on Impacts of Net Zero 2050 Scenario	39%	39%	▲ 56%
Citigroup, 2022	7. Report on Policies Related to Indigenous Peoples' Rights	34%	34%	▲ 49%
Eli Lilly, 2022	9. Report on Congruence of Political Activity	34%	39%	▲ 52%
Exxon Mobil, 2022	9. Report on Plastic Production	36%	36%	▲ 40%
Gilead Sciences, 2022	9. Report on Board Oversight of Anticompetitive Practices	40%	40%	▲ 57%
Honeywell, 2022	5. Report on Climate-Related Lobbying Activities	40%	40%	▲ 53%
Johnson & Johnson, 2022	8. Report on Access to Part-Publicly Funded Vaccines	34%	34%	▲ 49%
Lowe's Companies, 2022	7. Report on Risks of State Policies on Reproductive Health Care	32%	32%	▲ 45%
Lowe's Companies, 2022	9. Report on Risks from Supply Chain Worker Misclassification	36%	36%	▲ 49%
McDonald's, 2022	9. Lobbying Activities Report	35%	35%	▲ 51%
Merck & Co, 2022	5. Report on Access to Part-Publicly Funded Vaccines	36%	36%	▲ 52%
Microsoft, 2021	9. Report on Congruence of Political Activity	38%	38%	▲ 45%
Nike, 2021	6. Pay Equity Report	18%	31%	▲ 48%
Pfizer, 2022	7. Report on Board Oversight of Anticompetitive Practices	30%	30%	▼ 17%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▼) if the Big Three firms' votes are excluded. Shaded resolutions are those that would have been key resolutions if the Big Three's votes are excluded.

## Shareholder Support for Near-Miss Resolutions, 2022 Proxy Year (cont'd)

### Support for Near-Miss Resolutions, 2022 Proxy Year

35 Near-Miss Resolutions at 27 U.S. Large-Cap Companies (26–35: Salesforce to Wells Fargo)

Company, Year	Item Number, Description	Support	Adjusted Support	Adjusted Support Excluding Big Three Firms
Salesforce, 2022	7. Racial Equity Audit	34%	36%	36%
Starbucks, 2022	5. Report on Anti-Harassment and Discrimination Efforts	32%	32%	▲ 44%
Tesla, 2021	9. Additional Reporting on Human Rights	26%	37%	38%
United Parcel Service, 2022	5. Report on Climate-Related Lobbying Activities	33%	34%	▽ 30%
United Parcel Service, 2022	9. Annual Report on Diversity and Inclusion	37%	38%	▽ 29%
UnitedHealth Group, 2022	5. Report on Congruence of Political Activity	38%	38%	▲ 48%
Walmart, 2022	7. Report on Alignment of Racial Justice Goals and Wages	13%	33%	▲ 43%
Walt Disney, 2022	6. Human Rights Due Diligence Report	37%	37%	▲ 48%
Walt Disney, 2022	4. Lobbying Activities Report	34%	34%	▲ 45%
Wells Fargo, 2022	10. Racial Equity Audit	36%	36%	▲ 49%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Symbols indicate resolutions where adjusted support would be meaningfully higher (greater than 1.05 times: ▲) or meaningfully lower (less than 0.95 times: ▽) if the Big Three firms' votes are excluded. Shaded resolutions are those that would have been key resolutions if the Big Three's votes are excluded.

## Big Three Firms' Voting Decisions on Near-Miss Resolutions, 2022 Proxy Year

### Adjusted Support and Big Three Firms' Voting Decisions, 2022 Proxy Year

35 Near-Miss Resolutions at 27 U.S. Large-Cap Companies (1–25: Abbott Laboratories to Pfizer)

		Voting Decision and % of Independent Votes Owned			
Company, Year	Item Number, Description	Adjusted Support	BlackRock	State Street	Vanguard
Abbott Laboratories, 2022	7. Lobbying Activities Report	35%	Against, 10%	Against, 5%	Against, 11%
AbbVie, 2022	7. Report on Board Oversight of Anticompetitive Practices	33%	Against, 11%	Against, 6%	Against, 12%
AbbVie, 2022	8. Political Spending Disclosure	40%	Against, 10%	Against, 6%	Against, 12%
Alphabet, 2022	10. Report on Concealment Clauses	33%	For, 9%	Against, 5%	Against, 10%
Amazon, 2022	10. Report on Concealment Clauses	30%	Against, 9%	For, 5%	Against, 11%
Amazon, 2022	17. Racial and Gender Pay Gap Report	35%	Against, 9%	Against, 5%	Against, 11%
Apple, 2022	6. Report on Government Take-Down Requests	35%	Against, 12%	Against, 7%	Against, 14%
Apple, 2022	7. Report on Forced Labor	37%	Against, 12%	Against, 7%	Against, 14%
Apple, 2022	8. Pay Equity Report	37%	Against, 12%	For, 7%	Against, 14%
Charles Schwab, 2022	8. Lobbying Activities Report	38%	Against, 7%	Against, 4%	Against, 8%
Chevron, 2022	5. Adopt Greenhouse Gas Reduction Targets	33%	Against, 9%	Against, 10%	Against, 12%
Chevron, 2022	6. Report on Impacts of Net Zero 2050 Scenario	39%	Against, 9%	Against, 10%	Against, 12%
Citigroup, 2022	7. Report on Policies Related to Indigenous Peoples' Rights	34%	Against, 12%	Against, 7%	Against, 13%
Eli Lilly, 2022	9. Report on Congruence of Political Activity	39%	Against, 9%	Against, 5%	Against, 10%
Exxon Mobil, 2022	9. Report on Plastic Production	36%	Against, 10%	For, 10%	Against, 14%
Gilead Sciences, 2022	9. Report on Board Oversight of Anticompetitive Practices	40%	Against, 13%	Against, 6%	Against, 11%
Honeywell, 2022	5. Report on Climate-Related Lobbying Activities	40%	Against, 8%	Against, 6%	Against, 11%
Johnson & Johnson, 2022	8. Report on Access to Part-Publicly Funded Vaccines	34%	Against, 11%	Against, 8%	Against, 12%
Lowe's Companies, 2022	7. Report on Risks of State Policies on Reproductive Health Care	32%	Against, 10%	Against, 6%	Against, 12%
Lowe's Companies, 2022	9. Report on Risks from Supply Chain Worker Misclassification	36%	Against, 10%	Against, 6%	Against, 12%
McDonald's, 2022	9. Lobbying Activities Report	35%	Against, 11%	Against, 7%	Against, 13%
Merck & Co, 2022	5. Report on Access to Part-Publicly Funded Vaccines	36%	Against, 11%	Against, 7%	Against, 12%
Microsoft, 2021	9. Report on Congruence of Political Activity	38%	Against, 10%	For, 6%	Against, 12%
Nike, 2021	6. Pay Equity Report	31%	Against, 13%	Against, 8%	Against, 15%
Pfizer, 2022	7. Report on Board Oversight of Anticompetitive Practices	30%	For, 11%	For, 8%	Against, 12%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.

## Big Three Firms' Voting Decisions on Near-Miss Resolutions, 2022 Proxy Year (cont'd)

### Adjusted Support and Big Three Firms' Voting Decisions, 2022 Proxy Year

35 Near-Miss Resolutions at 27 U.S. Large-Cap Companies (26–35: Salesforce to Wells Fargo)

Company, Year	Item Number, Description	Adjusted Support	Voting Decision and % of Independent Votes Owned		
			BlackRock	State Street	Vanguard
Salesforce, 2022	7. Racial Equity Audit	36%	For, 10%	Against, 6%	Against, 11%
Starbucks, 2022	5. Report on Anti-Harassment and Discrimination Efforts	32%	Against, 10%	Against, 6%	Against, 11%
Tesla, 2021	9. Additional Reporting on Human Rights	37%	For, 13%	Against, 8%	Against, 16%
United Parcel Service, 2022	5. Report on Climate-Related Lobbying Activities	34%	Against, 5%	For, 4%	For, 4%
United Parcel Service, 2022	9. Annual Report on Diversity and Inclusion	38%	For, 5%	For, 4%	For, 4%
UnitedHealth Group, 2022	5. Report on Congruence of Political Activity	38%	Against, 9%	Abstain, 8%	Against, 11%
Walmart, 2022	7. Report on Alignment of Racial Justice Goals and Wages	33%	Against, 10%	Abstain, 7%	Against, 14%
Walt Disney, 2022	6. Human Rights Due Diligence Report	37%	Against, 11%	Abstain, 6%	Against, 13%
Walt Disney, 2022	4. Lobbying Activities Report	34%	Against, 11%	Abstain, 6%	Against, 13%
Wells Fargo, 2022	10. Racial Equity Audit	36%	Against, 10%	Against, 6%	Against, 11%

Source: Morningstar proxy-voting database, Morningstar Direct, asset managers' stewardship disclosures, SEC filings. Data as of Sept. 29, 2023. Note: Table shows voting decisions made by the majority of each firm's funds.

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