

Fulfilling the Promise 2023

How Climate Action 100+
Investor-Signatories Can Mitigate
Systemic Climate Risk

This report was made possible by the generous support of the Wallace Global Fund, The McKnight Foundation, The Nathan Cummings Foundation, The Sunrise Project, Merck Family Fund, The Park Foundation, The Ford Foundation, and Marguerite Casey Foundation

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This study uses data obtained under license from Insightia between September 1 and November 30, 2022.



Table of Contents

4	Executive Summary
5	Key Findings
6	The Promise: An Overview of Climate Action 100+
9	Are Key Climate Action 100+ Investors Fulfilling their Duties to Hold Failing Boards in the United States Accountable?
11	US-Based Climate Action 100+ Focus Companies are Off-Track to Achieve Net Zero Emissions
14	Section A: Voting Results on Overall Directors
16	Key Climate Action 100+ Investors-Signatories: Director Support at all U.S.-Based Focus Companies 2022
18	Average Vote Support by Key Climate Action 100+ investors for Each Company Board 2022
19	Percentage of Companies Without a Commitment to Achieve Net Zero by 2050 at which Investors Voted for the Entire Board
21	Section B: Voting Results on Flagged Directors
23	Support for Flagged Directors from Key CA100+ Investors
24	Support for CA100+ Flagged Directors, by Investor-Signatory
26	Vote Flagging at Companies Failing to Commit to Net Zero by 2050
27	Conclusion and Recommendations
30	Appendix A: Investor Universe Table
31	Key Climate Action 100+ Investor-Signatories in this Analysis
35	Appendix B: Methodology
38	Endnotes

The physical and financial risks

for long-term investors posed by climate change are systemic, portfolio-wide, and undiversifiable. Therefore, the actions of companies that impact climate outcomes pose risks to the financial system as a whole, and to an investor's entire portfolio. Investors have identified the need to hold boards accountable at portfolio companies that fail to adhere to scientific recommendations needed to limit warming to 1.5°C.

Climate Action 100+ (CA100+) is the largest investor-based initiative focused on engaging systemically important emitters to reduce emissions. In the last five years, CA100+ has amassed 700 investor-signatories responsible for more than \$68 trillion in assets under management (AUM)¹ who have agreed to engage 166 systemically important focus companies, estimated to represent approximately 80% of global corporate industrial emissions, to “take necessary action on climate change.”^{2 3}

While some companies have made progress toward the expectations of the CA100+ Net Zero Company Benchmark, many companies are overwhelmingly off track to achieve actual, absolute emissions reductions by 2030 and need to catch up with the demands of the global net zero transition. Laggard companies will only begin to shift their behavior along the timeline required when their large shareholders – including CA100+

signatories **BlackRock** and **State Street** – set Paris-aligned expectations and hold corporate boards accountable through their proxy votes. As evidenced by CA100+'s assessments of focus companies against its own Net Zero Company Benchmark, the initiative's engagements to date have failed to convince companies to align their targets, capital expenditures, and policy influence activities to the goals of the Paris Agreement. Yet, many investors appear reluctant to hold boards accountable and continue to support directors despite these failures.

Ahead of the 2022 proxy season, Majority Action analyzed the voting behavior of the 75 largest CA100+ investor-signatories in the 2021 proxy season. That analysis, *Fulfilling the Promise 2022*, found that the majority of investor-signatories had failed to use their proxy voting power to hold companies to the standards for decarbonization targets, performance, and governance set by CA100+.⁴ Given the urgent need for companies to immediately reduce greenhouse gas (GHG) emissions in line with pathways to limit warming to 1.5°C,⁵ it is imperative to continue to assess the effectiveness of the efforts of this initiative's signatories to hold boards to clear expectations on decarbonization.

This year's analysis evaluates the voting and disclosure of an expanded set of 104 key CA100+ investor-signatories – selected based on AUM, shares held in U.S.-based focus companies, or identified engagement roles within the initiative – in director elections at U.S.-based focus companies.

Key findings

The **Leaders**: supported fewer than 60% of directors at US-based focus companies

BNP Paribas Asset Management
Sarasin & Partners
Aviva Investors
Amundi Asset Management

Parametric
Miller/Howard
Illinois State Treasurer's Office

- 1** The **majority** of key Climate Action 100+ investor-signatories **supported 90% or more of the directors** at U.S.-based focus companies.
- 2** While some key investors voted against more directors in 2022 than in 2021, **the largest investors by AUM actually increased support for directors at US-based focus companies.**
- 3** Ahead of the 2022 proxy season, **17 U.S.-based focus companies failed to disclose a net zero ambition.** However, **25 key investors supported the entire board at a majority of these companies**, and 10 key investors supported every single director at every single company.
- 4** At every company where lead engagers flagged votes opposing directors, **more than 15% of the key investors opposed at least one flagged director**, suggesting that vote flagging serves an essential function.
- 5** **Nearly half of the key investors voted for 90% or more of flagged directors**, including some of the largest signatories by AUM. Fourteen investors supported every single flagged director.
- 6** Most companies that **failed to meet investor expectations for a net zero ambition did not have any votes flagged** against directors or for shareholder proposals.

The Promise:

An Overview of
Climate Action 100+

Three key features

of Climate Action 100+ are the Net Zero Company Benchmark whereby company performance is rigorously assessed against a set of ten indicators, a “lead engager” process whereby certain investor-signatories take responsibility for engaging companies on behalf of the initiative, and a “vote flagging” process whereby investor-signatories draw attention to certain votes at focus companies for other investors to consider.

The Net Zero Company Benchmark

Since 2021, focus companies have been assessed annually against the CA100+ Net Zero Company Benchmark, ten indicators demonstrating company performance against the initiative’s goals, as well as company alignment to the goals of the Paris Agreement.⁶ As noted by the initiative in progress reports and company assessment insights, global focus companies have demonstrated mixed progress, aligned with limiting warming in some areas but misaligned in others.⁷ Annual

assessments are released in March; the 2022 proxy season was the second year in which these specific company assessments have been available for investors to use in determining proxy voting decisions.⁸

In the last five years, some global focus companies have taken actions to begin aligning to the needs of the net zero transition. As of March 2022, over 69% had disclosed a net zero ambition, 89% had aligned disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) framework, and 90% had demonstrated board-level climate oversight.⁹ However, only 17% of global focus companies

“No global focus company has **fully satisfied the indicators** for aligning capital expenditure to limiting temperature rise to 1.5°C, with only a small percentage of companies **even partially meeting expectations.**”

have disclosed a decarbonization strategy, with over half of global focus companies failing to meet any expectations for this indicator. Moreover, there is a widespread failure on perhaps the most fundamental task of all: actually aligning capital expenditures to 1.5°C. Indeed, no global focus company has fully satisfied the indicators for aligning capital expenditure to limiting temperature rise to 1.5°C, with only a small percentage of companies even partially meeting expectations.^{10 11}

Lead Engagers

All investor-signatories agree to support an “engagement agenda” with three asks of focus companies: implementing a robust governance framework relating to climate change risk; taking action to reduce GHG emissions consistent with the Paris Agreement goals; and providing enhanced corporate disclosure in line with final recommendations of the TCFD and with sector-specific Global Investor Coalition on Climate Change (GIC) Investor Expectations on Climate Change guidelines.¹²

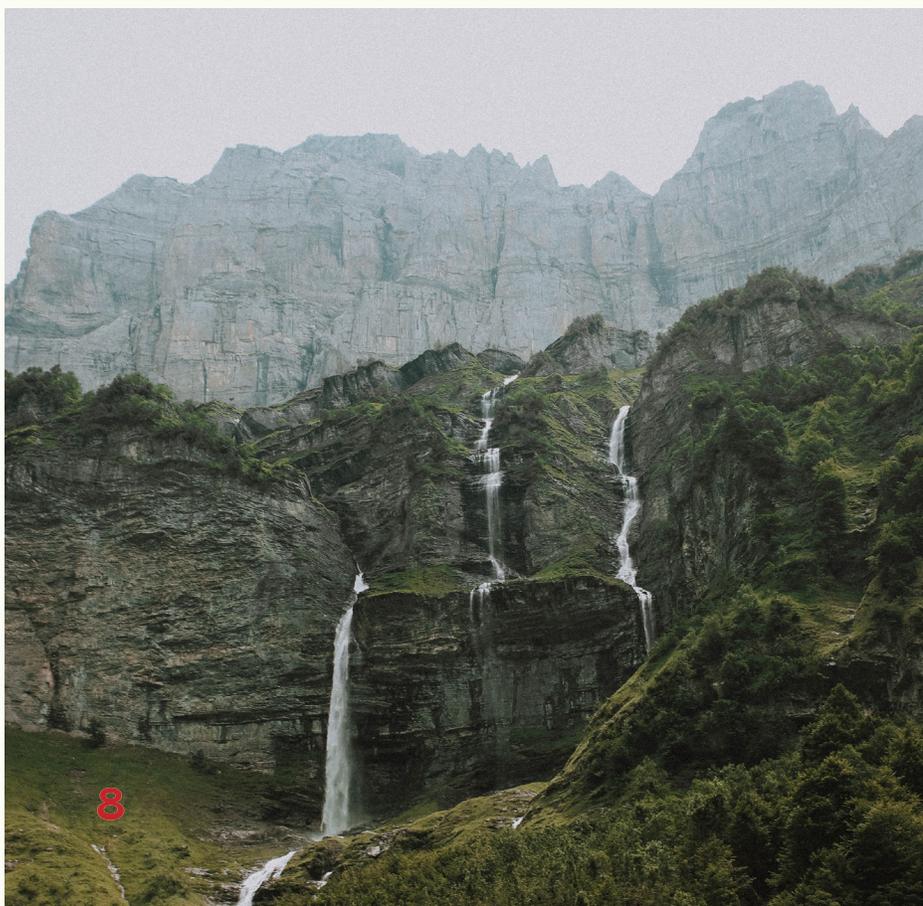
Within this overall framework, CA100+ utilizes a “lead engager” model, with between one and three investor-signatories coordinating engagement with a given focus company on behalf of a larger group of signatories who form the “engagement group” for that company within the initiative.¹³ Each lead engager has broad latitude to set priorities and engagement timelines with the company.¹⁴ Only lead engagers can “flag” votes at a given company.¹⁵

The identity of lead engagers is not made public by CA100+. Reporting from

Responsible Investor in January 2022 indicated that some investor-signatories play outsized lead engager roles: while many investors played this central role in engagements with only one to three companies, *Responsible Investor* reported that Federated Hermes served as lead engager for 25 companies.¹⁶

Vote Flagging

Under the CA100+ engagement framework, lead engagers may “flag” any vote at a company for which they serve in that capacity. Flagged votes are circulated and made public by the CA100+ initiative, thereby highlighting votes the lead engagers deem important. Flagged votes can include both management and shareholder proposals, and both those supported by and those opposed by the incumbent board. Lead investors can flag votes for any reason, including company failure to meet CA100+ expectations.



Are Key Climate Action
100+ Investors Fulfilling their
Duties to **Hold Failing
Boards** in the United
States **Accountable?**

As of the spring 2022 proxy season,

investors with \$8 trillion in AUM already had proxy voting policies explicitly allowing votes against directors at companies with inadequate climate performance. Given the insufficient responsiveness of U.S. focus companies to 5 years of CA100+ engagement efforts thus far, it would be reasonable to expect CA100+ investor-signatories to vote against directors at companies failing to meet the standards of the Net Zero Company Benchmark.

Ahead of the 2022 proxy season, Majority Action had analyzed the proxy voting performance and disclosures of the 75 largest CA100+ investor-signatories at U.S.-based focus companies during the 2021 proxy season. The analysis, *Fulfilling the Promise 2022*, demonstrated that despite a majority of the 45 companies failing to achieve full compliance with any of the Benchmark indicators ahead of the 2021 proxy season, a majority of these signatories voted for every single director at these laggard companies.¹⁷ The analysis also found that four flagged resolutions would have received majority support if some of the largest CA100+ investor-signatories had voted for rather than against them.

The present analysis, ahead of the 2023 proxy season, examines how an expanded set of key CA100+ signatories voted on director elections at U.S.-based CA100+ focus companies during the 2022 proxy season.¹⁸

For the purposes of this analysis, an **investor-signatory** is considered **key** if it:

- 1** is among the **top 30 holders** of shares at the 45 U.S.-based CA100+ focus companies
- 2** is one of the **75 largest investors by AUM** of all CA100+ investor-signatories
- 3** was identified by *Responsible Investor* as a **lead engager or co-lead** at a U.S.-based CA100+ focus company

For the purposes of this analysis, an investor-signatory is considered “key” if it: is among the top 30 holders of shares at the 45 U.S.-based CA100+ focus companies, or is one of the 75 largest investors by AUM of all CA100+ investor-signatories, or was identified by *Responsible Investor* as a lead engager or co-lead at a U.S.-based CA100+ focus company.

Of the 700+ signatories as of August 2022, **104 met at least one of these three criteria and thus make up this year's key investor universe.** A fourth criterion - that the investor’s voting data for the 2022 proxy season was available in Insightia, in order to analyze all investor voting on an even basis - was applied. Thirty-one of these 104 key investors did not have voting data at the U.S.-based focus companies in Insightia at the time of analysis, yielding **an investor class of 73 key investors whose voting records are analyzed in this report** (see *Appendix A: Investor Universe and Appendix B: Methodology for further detail*).

US-based Focus Company Performance Against the Net Zero Company Benchmark

Individual company assessments against the Net Zero Company Benchmark were made available before the 2022 proxy season,¹⁹ and they demonstrated that after five years of engagement, U.S.-based focus companies, on the whole, needed to increase ambition and action²⁰ (see Figure 1).

None of the 45 US-focus companies had fully met all nine Benchmark indicators. The highest number of indicators that any company had fully met was four, and only three companies had done so. In addition, Berkshire Hathaway and Caterpillar failed to meet even partial expectations at any of the nine Benchmark indicators.

While most U.S.-based focus companies have partially met over half of the nine indicators, the companies that have partially met the most indicators across the Benchmark have fully achieved the fewest indicators. Additionally, most companies achieving partial indicators in the 2021 assessment did not take further actions that improved their scores in the 2022 assessment. Thus, although every company may have a different pathway to decarbonization, this trend indicates a risk that without escalated investor expectations, inadequate partial steps may be the end of the road.

ARE KEY CLIMATE ACTION 100+ INVESTORS FULFILLING THEIR DUTIES TO HOLD FAILING BOARDS IN THE UNITED STATES ACCOUNTABLE?



US-Based Climate Action 100+ Focus Companies are Off-Track to Achieve Net Zero Emissions

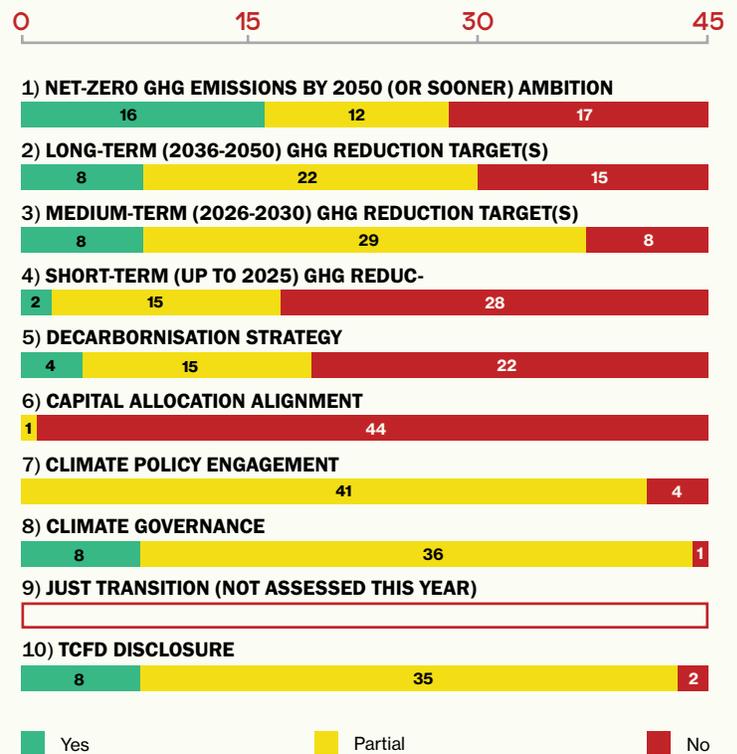


Figure 1: Climate Action 100+ Net Zero Company Benchmark Assessments, U.S.-based focus companies. Source: Climate Action 100+, March 2022

Fulfilling The Promise 2023

ARE KEY CLIMATE ACTION 100+ INVESTORS FULFILLING THEIR DUTIES TO HOLD FAILING BOARDS IN THE UNITED STATES ACCOUNTABLE?

While the number of U.S.-based focus companies failing to fully align to any of the nine indicators (that is, companies scoring only “no” or “partial”) had decreased from 23 in 2021 to 14 in 2022, most of this improvement was due to companies previously failing the TCFD indicator now scoring “partial.” Still, seven years after the TCFD framework was launched in 2015, *only eight* (17%) U.S.-based focus companies were fully aligned with TCFD recommendations.²¹

Only two U.S.-based focus companies had adopted short-term GHG emissions reduction targets that fully meet the expectations of the Benchmark. Given that the Benchmark defines “short-term” as up to 2025, this means that U.S.-based focus companies are, as a group, not taking urgent steps to rapidly reduce emissions. In order to avoid global temperature overshoot, emissions need to fall 45% from 2010 levels by 2030 before reaching net zero by 2050.²² This means companies must achieve accelerated emissions reduction between now and 2030 rather than delaying the challenging task of emissions reduction until after that date.

Lastly, U.S.-based focus companies demonstrated significant weaknesses in aligning capital allocation to Paris Agreement goals (Indicator 5). No U.S.-based focus company had fully met this indicator, and only one had partially met this indicator. This indicator is critical, as capital allocation plans must reflect the finite limits imposed by a 1.5°C carbon budget. For example, companies must immediately cease approving investment in new fossil fuel



“companies must achieve **accelerated emissions reduction between now and 2030** rather than delaying the challenging task of emissions reduction until after that date.”



projects, including new oil and gas fields, coal mines, and coal mine extensions,²³ and power producers must phase out the use of coal generation by 2030 to stay on track.²⁴ Investing in development beyond what can be consumed in a Paris-aligned future scenario threatens a livable planet, poses systemic investment risk due to harmful climate outcomes and can exacerbate company-specific risks to shareholder value through asset stranding.²⁵

While each company and sector may have different challenges and opportunities in meeting the Benchmark's full expectations, investors must be confident that companies and sectors in their portfolio are well on their way to alignment with the goals of the Paris Agreement. Given each U.S.-based focus company's inadequate performance, particularly after five years of engagement through CA100+, investors should adopt accountability pathways that include flagging votes and voting against directors at any of these companies.

Section A:

Voting Results on **Overall Directors**

Key Finding 1:

The **majority** of key Climate Action 100+ investor-signatories **supported 90% or more of the directors** at U.S.-based focus companies.

Among these 73 key investor-signatories, several leaders emerged in the 2022 proxy season for their propensity to use proxy voting to hold directors accountable at U.S.-based focus companies. For example, **BNP Paribas Asset Management Asset Management, the Illinois State Treasurer's Office, Sarasin & Partners, Parametric, Miller/Howard, Aviva Investors,** and **Amundi Asset Management** supported fewer than 60% of directors at U.S.-based focus companies, with **BNP Paribas Asset Management** demonstrating accountability leadership by supporting just 23% (see Figure 2).

However, 42 of the 73 investor signatories supported over 90 percent of directors at U.S.-based focus companies. Eight key investor-signatories supported every single director at U.S.-based focus companies in 2022: **Aristotle Credit, Baillie Gifford, Barings LLC, ClearBridge Investments LLC, Intech Investments, Janus Henderson Investors, PIMCO,** and **Payden & Rygel.**

Key Finding 2:

While some key investors voted against more directors in 2022 than in 2021, **the largest investors by AUM actually increased support for directors at U.S.-based focus companies.**

Forty of this year's 73 key investor-signatories were included in last year's analysis, allowing a comparison of their 2022 and 2021 proxy season voting records. Overall, there was a nominal change in director support from these investors and mixed results. Some investors supported fewer directors this year; for example, **California Public Employees' Retirement System (CalPERS) (73.7% in 2022)** and **California State Teachers' Retirement System (CalSTRS) (62.9% in 2022)** showed a very modest decrease in support for directors at U.S.-based focus companies. However, several investors voted for a larger proportion of directors overall and supported the full director slate at a larger share of focus companies. Eight investors in this group supported both more directors and more full board slates this year than last, including three of the largest asset managers, by AUM, of CA100+ signatories: **BlackRock** (which supported **98.2%** of directors in 2022), **State Street (94.4%** support in 2022), and **JP Morgan (97.4%** support in 2022).

Thus while some investor-signatories appear to have escalated votes against directors at U.S.-based companies failing to meet investor expectations on climate, those actions are not yet significant enough to overcome those with significant voting power who are moving in the opposite direction and blocking the momentum upon which the initiative's success depends.



Key Climate Action 100+ Investor-Signatories: Director Support at all US-Based Focus Companies 2022

	Percentage of all directors at U.S.-based Climate Action 100+ focus companies that this investor supported	Percentage of U.S.-based focus companies at which this investor voted to elect the entire board
		0% 100%
BNP Paribas Asset Management	22.9%	0 out of 28
Miller/Howard Investments Inc	48.1%	0 out of 2
Amundi Asset Management	52.2%	3 out of 44
Sarasin & Partners LLP	53.1%	0 out of 7
Aviva Investors	56.6%	0 out of 43
Parametric	56.8%	2 out of 44
Stance Capital	57.9%	0 out of 3
Illinois State Treasurer's Office	58.4%	2 out of 44
Union Investment	58.5%	1 out of 26
California State Teachers' Retirement System	62.9%	12 out of 44
New York City Pension Funds	69.9%	17 out of 44
BMO Global Asset Management (EMEA)	72.0%	1 out of 34
Allianz Global Investors	73.0%	5 out of 43
California Public Employees' Retirement System	73.7%	15 out of 44
Credit Suisse Asset Management LLC	76.4%	1 out of 20
Loomis Sayles	78.1%	9 out of 16
APG	79.2%	5 out of 30
Legal & General Investment Management	79.9%	4 out of 44
UBS Asset Management	82.1%	8 out of 44
Mercy Investment Services	82.9%	21 out of 39
AXA Investment Managers	83.5%	9 out of 35
Russell Investments	84.3%	6 out of 42
Northern Trust Investments	84.5%	25 out of 43
RBC Global Asset Management, Inc.	85.8%	17 out of 38
AEGON Investment Management	86.3%	12 out of 26
Robeco	86.7%	4 out of 35
HSBC Global Asset Management	87.0%	4 out of 43
AGF Investments Inc.	87.3%	3 out of 8
Newton Investment Management	88.2%	17 out of 32
Franklin Templeton	88.4%	21 out of 39
Railpen UK	89.6%	3 out of 9
abrdn	90.0%	16 out of 44
Schroders	90.6%	13 out of 44
M&G Investments	90.7%	12 out of 39
Pictet Group	91.6%	28 out of 44
TortoiseEcofin	91.7%	7 out of 11
Columbia Threadneedle US	91.9%	7 out of 25

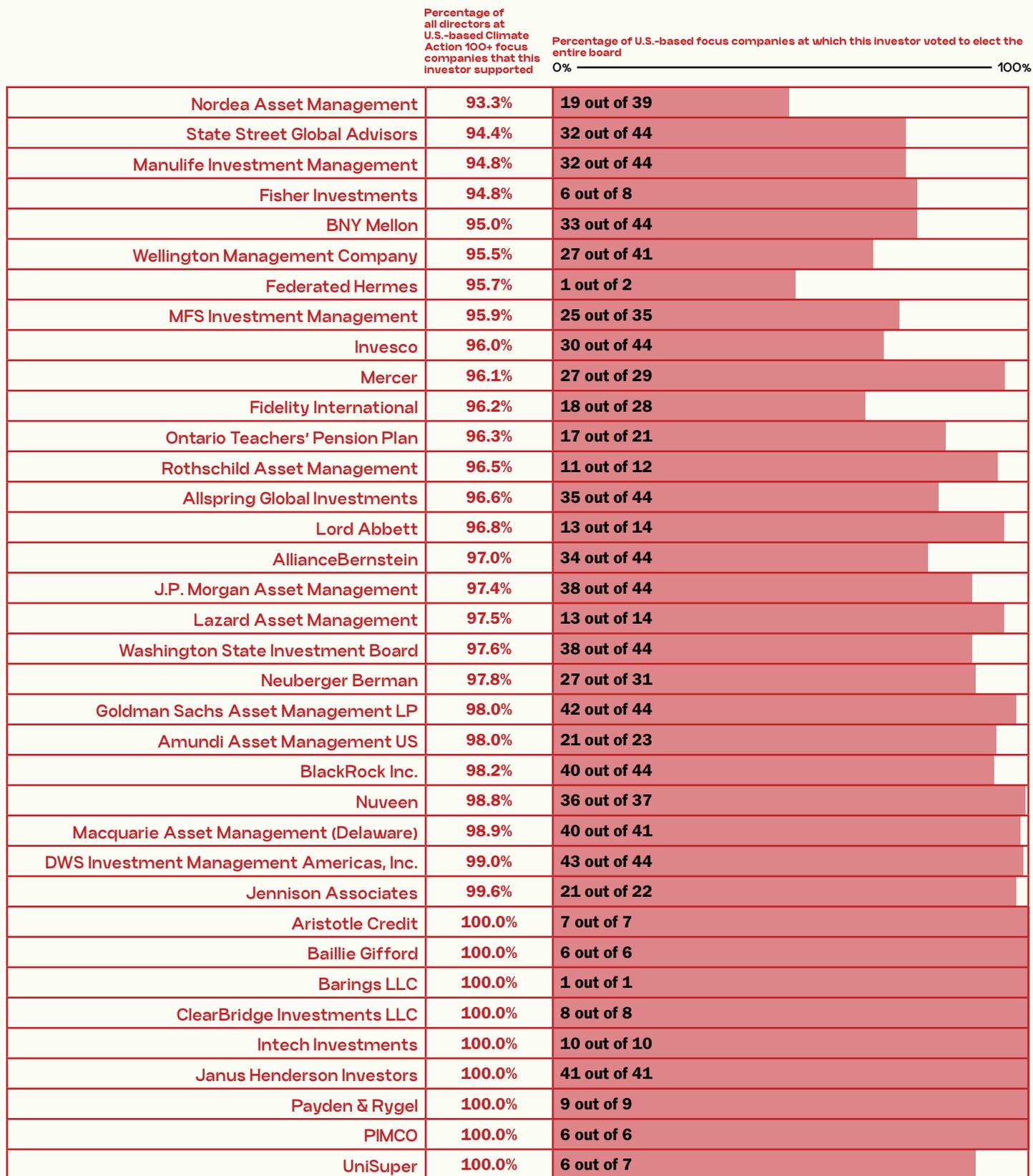


Figure 2: Percentage of all directors supported by each investor at the U.S.-based CA100+ focus companies at which they voted; Percentage of companies at which each investor voted for the entire board (of the total number of companies at which they voted). **Source:** Insightia

Average **Vote Support** by Key Climate Action 100+ investors for Each Company Board, 2022

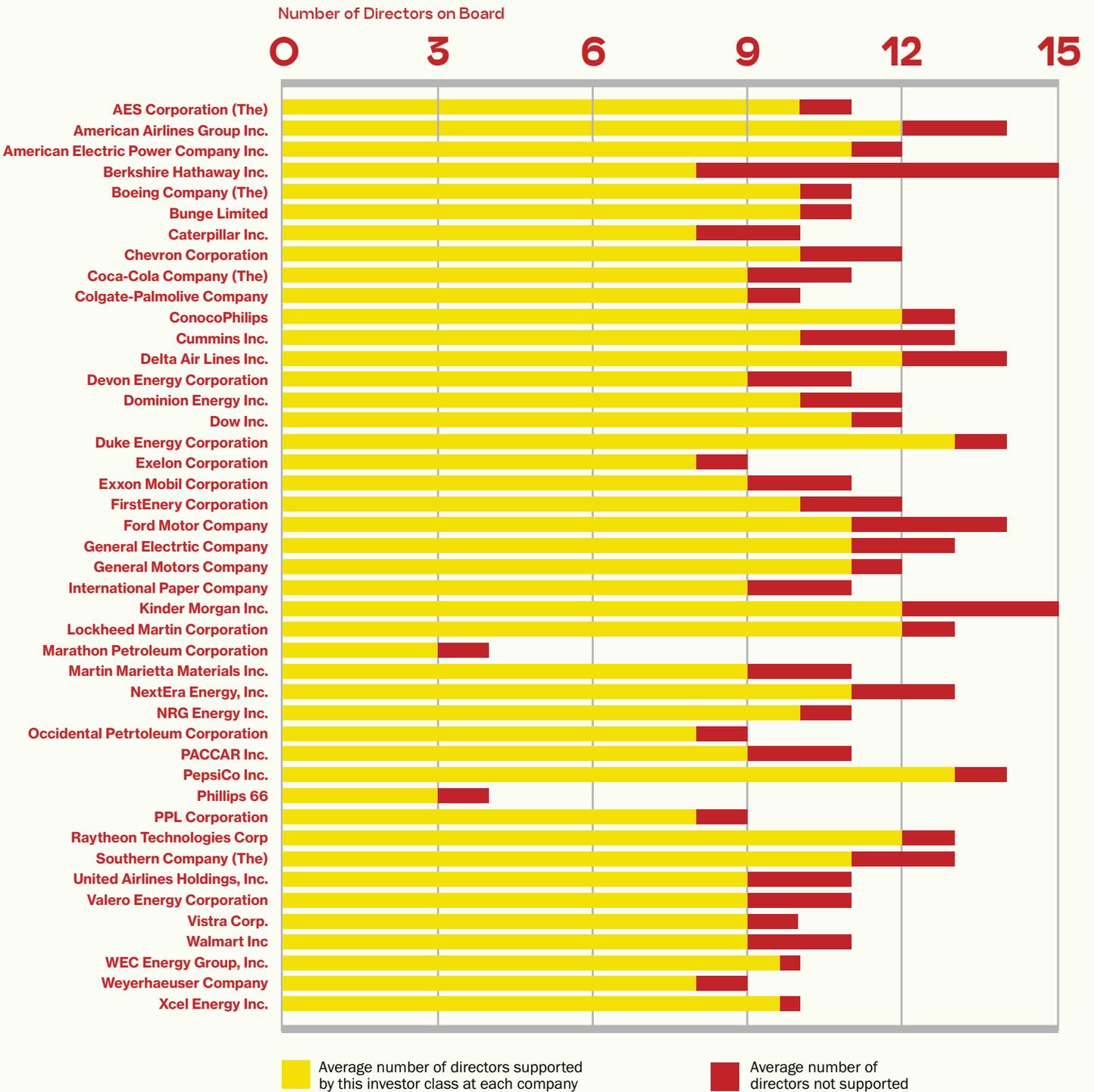


Figure 3: Average vote support of key CA100+ investors at U.S.-based CA100+ focus companies. **Source:** Insightia

Key Finding 3:

Ahead of the 2022 proxy season, **17 U.S.-based focus companies failed to disclose a net zero ambition.** However, **25 key investors supported the entire board at a majority of these companies**, and ten key investors supported every single director at every single company.

While all of the indicators for the Net Zero Company Benchmark are essential, setting a net zero by 2050 ambition (Indicator 1) and TCFD-aligned disclosure is a crucial precondition for alignment with the goals of the Paris Agreement. After five years of investor engagement, any company failing to achieve even partial compliance with the net zero by 2050 ambition or TCFD-aligned disclosure is out of step with the bare minimum building blocks of investor expectations toward decarbonization.

According to the March 2021 Benchmark assessments, seven companies had failed to even partially achieve both the net zero by 2050 ambition and TCFD-aligned disclosure indicators. By the March 2022 assessment, five of those seven companies partially met the TCFD-aligned disclosure indicator by the 2022 proxy season, with Berkshire Hathaway and Caterpillar as the only U.S.-based focus companies not meeting expectations for TCFD alignment. However, those five companies – Caterpillar Inc, International Paper Company, Martin Marietta Materials Inc, NextEra Energy, and PACCAR Inc – still did not

have a net zero ambition. This suggests that while status quo engagement may push companies to meet disclosure-related expectations, it is not moving companies to begin aligning the business to Paris Agreement goals.

Ahead of the 2022 proxy season, 17 U.S.-based focus companies had not even partially met expectations for a net zero by 2050 ambition (Indicator 1) (see Figure 7). Yet, despite this failure, ten investor-signatories supported the entire board at each company (see Figure 4). Twenty-five signatories supported the entire board at a majority of these 17 companies, including some of the largest signatories by AUM, such as **Goldman Sachs** (supported the full slate at 94% of companies), **BlackRock** (88%), and **J.P. Morgan** (88%).

By contrast, 15 investors voted against the entire board at one or more companies without a net zero ambition. Notably, **BNP Paribas Asset Management** voted against the whole board at 71% of the companies without a net zero ambition, and **Union Investment** and **Mercy Investment Services** voted *against* the entire board at 27% and 12% of those companies, respectively.

Overall, Marathon Petroleum and Kinder Morgan saw significant opposition, with eight and four key investors, respectively, not supporting any board members at those companies. Fourteen other U.S.-based focus companies saw at least one key investor vote against the entire board, demonstrating that some investors are willing to send a message to directors.

Summary

Several investors demonstrated accountability leadership by supporting fewer than 60% of directors at focus companies, but the majority supported more than 90% of directors. However, eight investors - including four of the largest CA100+ signatories by AUM – supported a larger proportion of directors and full-slate boards at

U.S.-based focus companies in 2022 than in 2021. And despite the alarming failure of 17 companies to even meet CA100+ expectations for a net zero ambition, almost half of the key investors supported the entire board at the majority of these failing companies, with ten investors supporting the whole board at every failing company.

Percentage of Companies Without a Commitment to Achieve Net Zero by 2050 at which Investors Voted for the Entire Board

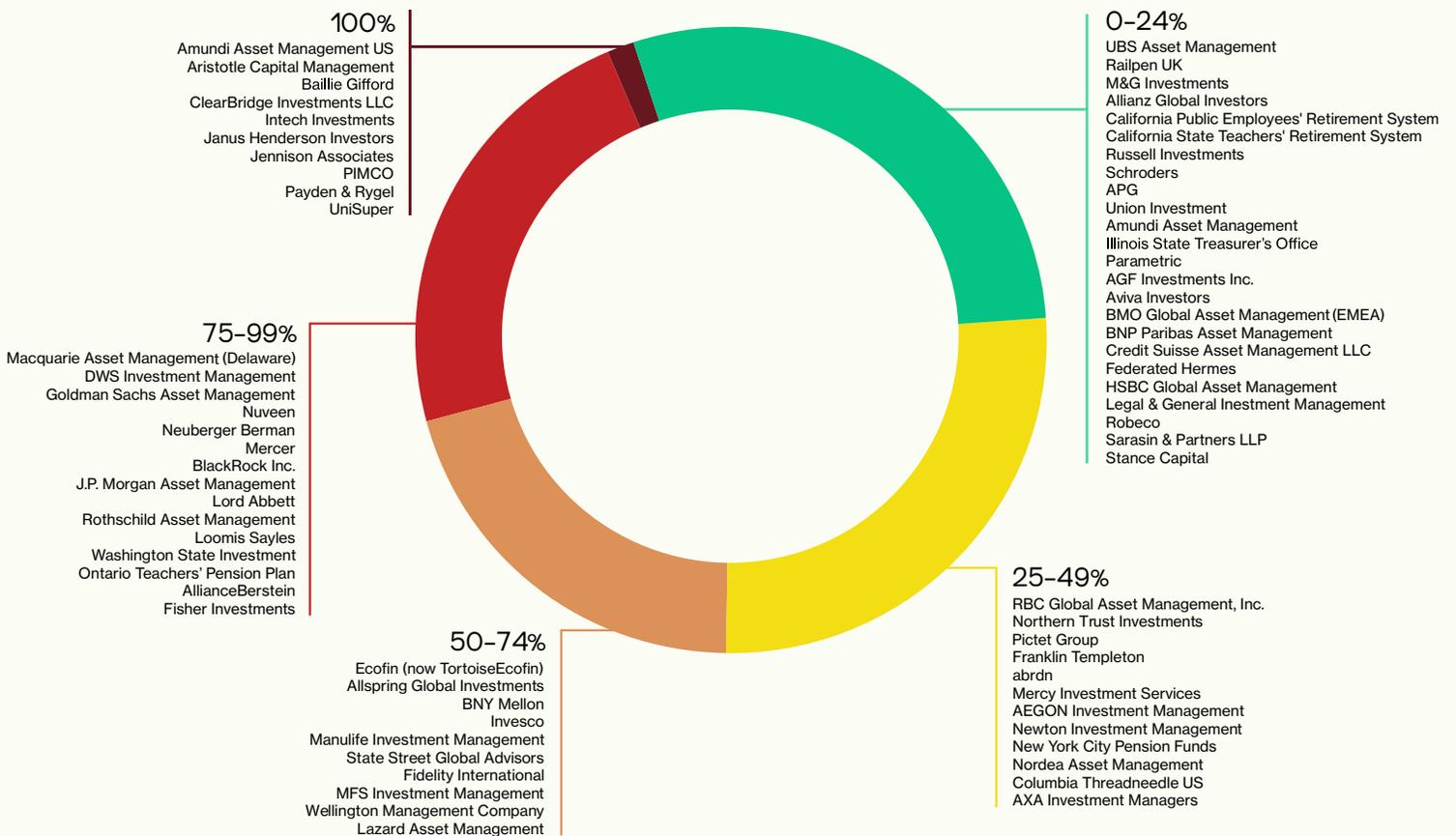


Figure 4: Percentage of elections where key CA100+ investor-signatories voted unanimously for the board at companies that failed to disclose an ambition to achieve net zero by 2050 (Indicator 1). Investors who did not vote at these companies have been excluded from this chart. **Source:** CA100+ company assessments; Insightia

Section B:

Voting Results on **Flagged** **Directors**

In the 2022 proxy season,

investors flagged 11 director elections at six focus companies globally.²⁶ Four lead engagers flagged opposition votes on ten directors at five U.S.-based companies: **CalPERS** flagged six directors total at **Chevron** and **Berkshire Hathaway**; **Federated Hermes** flagged one director at **ConocoPhillips**; **Sarasin & Partners** flagged two directors at **NextEra Energy**, and the **Office of the Illinois Treasurer** flagged one director at **Southern Company**.²⁷ The reasons for flagging varied, but all indicated insufficient progress toward aligning business activities with net zero by 2050 and ensuring appropriate oversight of climate risk.²⁸

Key Finding 4:

At every company where lead engagers flagged votes opposing directors, **more than 15% of the key investors opposed at least one flagged director**, suggesting that vote flagging serves an essential function.

At each of the five companies where opposition to directors was flagged, more than 15% of key investors followed the example set by lead engagers and opposed at least one flagged director (see Figure 5). And thirteen investors demonstrated accountability leadership by supporting 33% or fewer of these flagged directors at the companies at which they voted, including **Mercy Investment Services**, **CalPERS**, **Union Investment**, and **BNP Paribas Asset Management Asset Management**. Again, vote flagging serves an essential function in signaling to peers important votes where they believe accountability is warranted.

Support for **Flagged Directors** from Key CA100+ Investors

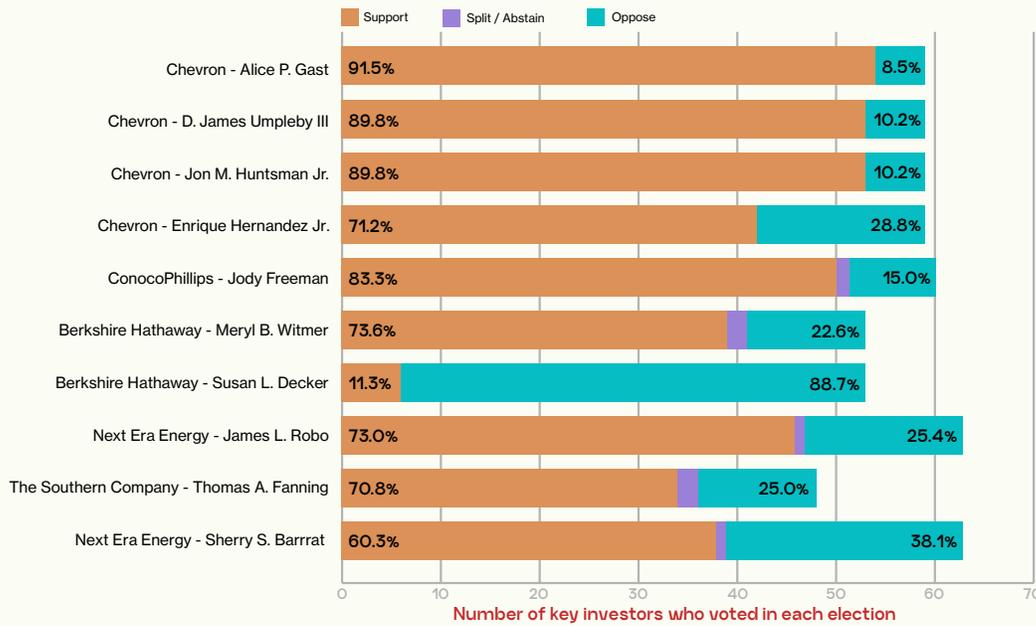


Figure 5: Vote support for flagged directors at US-based companies from key CA100+ investor-signatories. **Source:** Insightia

Key Finding 5: Nearly half of the key investors voted for 90% or more of flagged directors, including some of the largest signatories by AUM. Fourteen investors supported every single flagged director.

Rather than opposing the ten flagged directors at U.S.-based companies, 31 investors voted for 90% or more of them. Fourteen investors voted for every single flagged director at the companies at which they voted. Seventeen opposed just one director, including **BlackRock, State Street, Goldman Sachs, and JP Morgan**, four of the largest CA100+ signatories by AUM (see Figure 6).

For all 17 who opposed just one flagged director, this exception was Susan Decker, chair of the audit committee at Berkshire Hathaway, who (along with audit committee member Meryl Witmer) was flagged by **CaIPERS** for Berkshire Hathaway’s failure to disclose climate risks.²⁹ This suggests that investor-signatories may be more likely to withhold a vote related to climate disclosure and less inclined to hold directors accountable at companies such as ConocoPhillips, where a director vote was flagged in part for the company’s failure to respond to a majority-supported request to reduce scope 3 emissions.³⁰

Northern Trust, identified by *Responsible Investor* as a lead engager for Valero, supported all ten flagged directors. While the remaining leads in this analysis all supported fewer than 75% of the flagged directors, Northern Trust’s reluctance to hold flagged directors accountable raises concerns.

Vote Flagging at US-based Companies

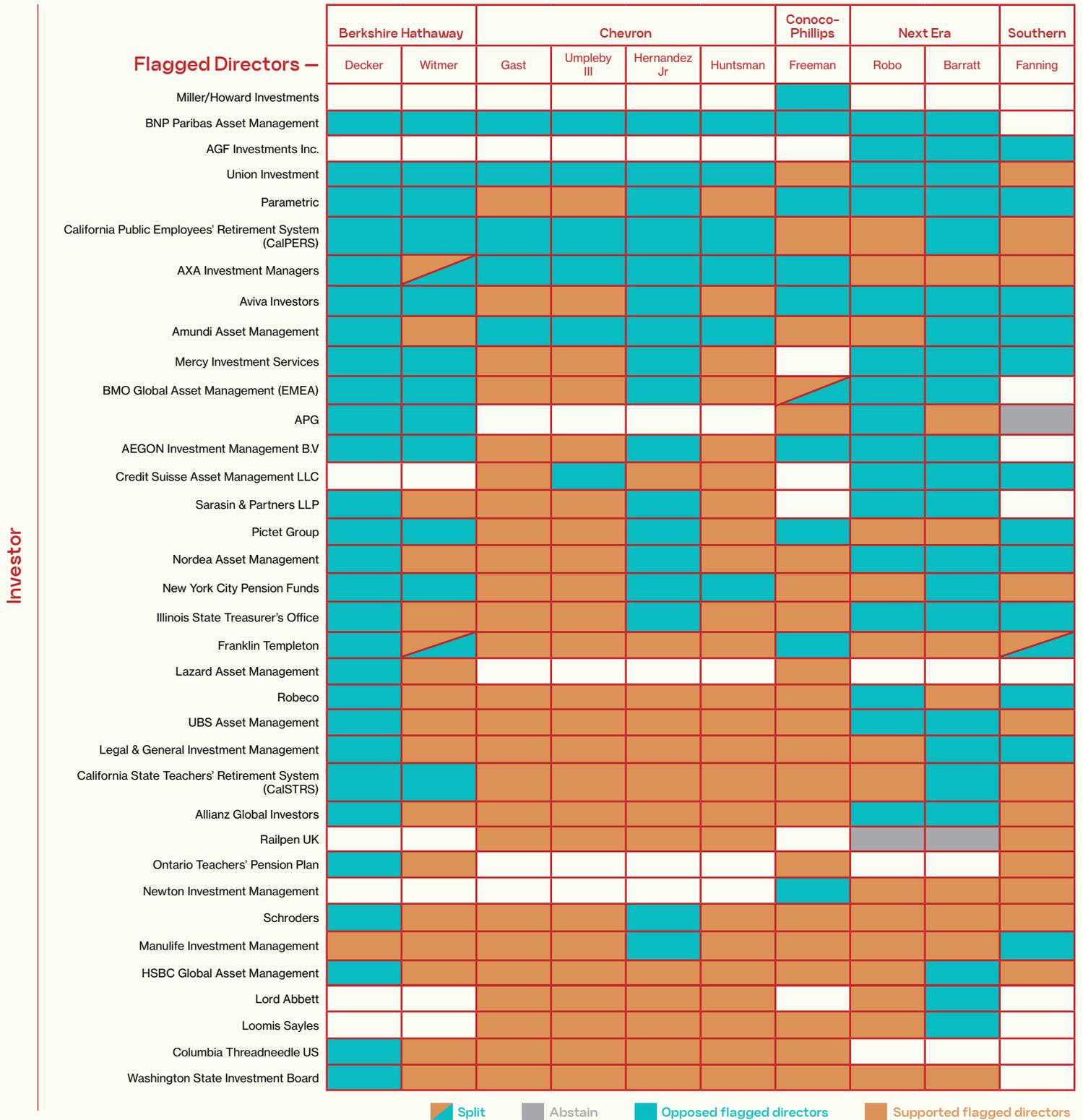


Figure 6: Vote support for directors flagged by Climate Action 100+ lead engager, by key investor. Source: Insightia

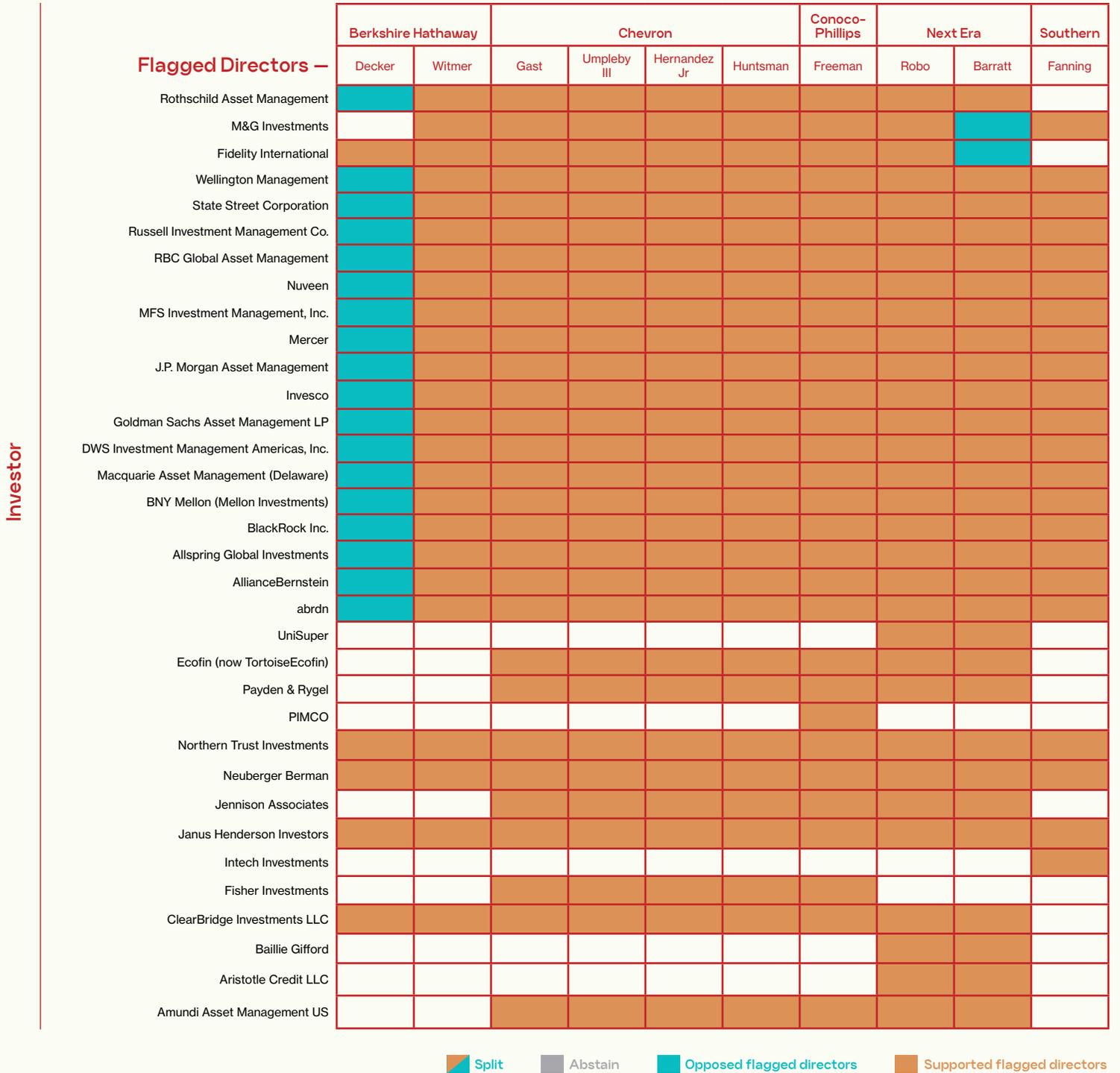


Figure 6: Vote support for directors flagged by Climate Action 100+ lead engager, by key investor. Source: Insightia

Key Finding 6:
Most companies that failed to meet even some expectations for net zero ambition **did not have any votes flagged** against directors or for shareholder proposals.

Vote Flagging at US-Based Companies **Failing to Commit** to Net Zero by 2050

Companies with no net zero	Was there a flagged vote at this company?
Berkshire Hathaway Inc.	Yes - Shareholder proposal and directors
Bunge	No
Caterpillar Inc.	Yes - Shareholder proposal
Chevron Corporation	Yes - Shareholder proposals and directors
Exelon Corporation	No
Exxon Mobil Corporation	Yes - Shareholder proposals
International Paper Company	No
Kinder Morgan Inc.	No
Lockheed Martin Corporation	No
Marathon Petroleum Corporation	No
Martin Marrietta Materials Inc.	No
NextEra Energy	Yes - Directors
PACCAR Inc.	No
Phillips 66	Yes - Shareholder proposals
Raytheon Technologies Corp.	No
Valero Energy Corporation	Yes - Shareholder proposals
Weyerhaeuser	No

Figure 7: Vote flagging actions taken by CA100+ leads at companies failing to disclose an ambition to achieve net zero by 2050. **Source:** Climate Action 100+ website

Despite U.S.-based focus companies broadly failing to meet critical investor expectations laid out by the Benchmark, only ten of the 45 U.S.-based focus companies had any flagged votes this year. And, at the 17 U.S.-based companies failing to disclose a net zero ambition, just seven of those companies had any votes flagged, and only three of those were director elections. This suggests that lead engagers who did not flag votes may not have developed any kind of accountability pathway for a specific company, or if they did develop one, the wider engagement group might not have supported it.

This analysis did not examine CA100+ investor-signatory voting on shareholder proposals. However, the proxy season saw muted shareholder support overall for climate-critical resolutions, particularly on proposals asking companies to set Paris-aligned targets for decarbonization.³¹ At U.S.-based companies, leads flagged ten resolutions, three of which were supported by management.³² Large investor-signatories, including **BlackRock** and **State Street**, did not support a majority of those seven non-management-supported flagged resolutions³³ and these largest asset managers' support for resolutions favored issues relating to disclosure rather than concrete actions taken by companies to transition to a decarbonized economy.³⁴

Summary

Directors flagged by lead engagers generally saw opposition from a significant group of key investors; however, the majority of key investors supported 90% or more³³ of flagged directors, and most of the companies failing key Net Zero Company Benchmark indicators did not face any flagged votes from lead engagers.



Conclusion and **Recommendations**

Climate Action 100+

could play an instrumental role in limiting global warming to 1.5°C, preserving ecological stability and protecting investors from escalating climate risks. By bringing together investors responsible for more than \$68 trillion in AUM around shared goals aligned to their fiduciary duty, CA100+ has incredible potential to hold corporations accountable for the business model transformation needed for decarbonization. CA100+ could be a potent vehicle for establishing mechanisms for investors to hold the world's heaviest emitters accountable to shared baseline standards.

Unfortunately, the initiative's promise remains out of reach as long as laggard investor-signatories continue to indiscriminately support management at companies failing to realign their business models to the urgent demands of limiting warming to 1.5°C. While some investor-signatories demonstrated leadership in the 2022 proxy season

by voting against directors at U.S.-based focus companies failing to meet the Net Zero Company Benchmark, their efforts will continue to be stifled by laggard investors. The initiative's promise to reduce GHG emissions will remain unfulfilled until its signatories' voting policies and practices reflect the scope and urgency that the energy transition and their fiduciary duties require.

There is a narrow window of opportunity to limit warming to 1.5°C and mitigate the risks imposed by climate change, but that window is rapidly closing. If the CA100+ initiative fails to fulfill its promise, investor-signatories and their beneficiaries and clients may look back at this moment with regret. The fiducially sound course of action is to exercise all the tools and power available to investors to ensure that their impact is on a scale commensurate with the climate crisis.

Recommendations

The **initiative** should:

- 1** Adopt a goal that focus companies should achieve real, absolute emissions reductions by 2030 in line with the demands of the global net zero transition.
- 2** Enhance expectations of lead engagers on time-bound accountability pathways for focus companies, or pursue an operational model that does not depend on individual lead engagers to determine when to recommend that signatories should vote against directors at companies failing to align to the Net Zero Company Benchmark.
- 3** Support the adoption of proxy voting policies that empower investor-signatories to vote against directors at companies failing to align GHG reduction targets and business strategies to the goals of the Paris Agreement.
- 4** Encourage investor-signatories to disclose their proxy votes in advance of annual meetings.
- 5** Require that investor-signatories publicly disclose their votes in a timely fashion following the annual meeting.

Recommendations

Lead engager investor-signatories should:

- 1** Lead their engagement group in crafting an agreed-upon timebound accountability pathway that holds the individual company's board of directors accountable to climate milestones consistent with the Climate Action 100+ Net Zero Company Benchmark disclosure indicators, alignment assessments, and relevant sectoral guidance.
- 2** Adopt and publish proxy voting policies enabling them to hold boards accountable for aligning their targets, capital expenditures, and policy influence to the goals of the Paris Agreement and make those proxy voting policies public.
- 3** Vote against directors at companies failing to align GHG reduction targets and business strategies to the goals of the Paris Agreement, and announce votes well in advance of the annual meeting.
- 4** Flag climate-critical votes, including shareholder proposals and director votes, as early as possible so that other investors may consider the initiative's flagged votes when making proxy voting decisions.
- 5** Disclose all votes at Climate Action 100+ focus companies within six months of the AGM.

Investor-signatories should:

- 1** Adopt and publish proxy voting policies enabling them to hold boards accountable for aligning their targets, capital expenditures, and policy influence to the goals of the Paris Agreement and make those proxy voting policies public.
- 2** Vote against directors at companies failing to align GHG reduction targets and business strategies to the goals of the Paris Agreement, and announce votes in advance of the annual meeting.
- 3** Disclose all votes at Climate Action 100+ focus companies within six months of the AGM.

Appendix A

Investor Universe Table

Key Climate Action 100+ Investor-Signatories in this Analysis

Investor	AUM, in usd millions ¹	Investor type ²	Investor HQ ³	Vote data available in insightia? ⁴	Among top 50 holders of shares across U.S.-based focus companies? ⁴	Among top 75 investors by 2022 AUM?	Is identified as a lead/co-lead at a U.S.-based focus company? ⁵
ABP	622,498	Asset Owner	Netherlands	Not for U.S.-based focus companies	No	Yes	Yes
abrdn	644,500	Asset Manager	UK	Yes	No	Yes	No
ACTIAM	672,000	Asset Manager	Netherlands	Not for U.S.-based focus companies	No	Yes	Yes
AEGON Investment Management	432,000	Asset Manager	Netherlands	Yes	No	Yes	No
AGF INVESTMENTS INC	38,000	Asset Manager	Canada	Yes	Yes	No	Yes
AllianceBernstein	585,962	Asset Manager	Australia	Yes	Yes	Yes	No
ALLIANZ GLOBAL INVESTORS	19,500	Asset Owner	Germany	Yes	Yes	No	No
Allspring Global Investments	647,795	Asset Manager	US	Yes	Yes	Yes	No
Amundi Asset Management	1,963,000	Asset Manager	France	Yes	No	Yes	No
Amundi Asset Management U.S.	under parent ⁶	-	US sub-entity (parent in France)	Yes	Yes	No	No
APG	687,672	Asset Manager	Netherlands	Yes	Yes	Yes	No
Aristotle Credit LLC	60,000	Asset Manager	US	Yes	Yes	No	No
Asset Management One Ltd	453,000	Asset Manager	Japan	Not for U.S.-based focus companies	No	Yes	No
Aviva Investors	458,849	Asset Manager	UK	Yes	No	Yes	No
AXA Group	950,000	Asset Owner	France	Yes	No	Yes	No
Baillie Gifford	486,800	Asset Manager	UK	Yes	Yes	Yes	No
Barings LLC	382,000	Asset Manager	US	Yes	No	Yes	No
BlackRock Inc.	8,487,000	Asset Manager	US	Yes	Yes	Yes	No
BMO Global Asset Management (EMEA) ⁵	526,000	Asset Manager	UK	Yes	Yes	Yes ⁷	Yes
BNP Paribas Asset Management	511,000	Asset Manager	France	Yes	Yes	Yes	Yes
BNY Mellon (Mellon Investments)	2,400,000	Asset Manager	US	Yes	Yes	Yes	Yes
Caisse de depot et placement du Quebec	19,603	Asset Owner	Canada	Not for U.S.-based focus companies	Yes	No	No
California Public Employees' Retirement System (CalPERS)	499,460	Asset Owner	US	Yes	Yes	Yes	Yes
California State Teachers' Retirement System (CalSTRS)	257,900	Asset Owner	US	Yes	No	No	Yes

¹See Appendix B: Methodology

²As reported on Climate Action 100+ website

³As reported on Climate Action 100+ website

⁴Identified by *Responsible Investor*, see Appendix B: Methodology

⁵The voting record for BMO Global Asset Management reflects BMO Global Asset Management (EMEA); this entity was acquired by Columbia Threadneedle in November 2021, but was not formally rebranded to Columbia Threadneedle until July 2022.

⁶See Appendix B: Methodology

⁷AUM is for BMO GAM

Investor	AUM, in usd millions ¹	Investor type ²	Investor HQ ³	Vote data available in insightia? ⁴	Among top 30 holders of shares across U.S.-based focus companies? ⁴	Among top 75 investors by 2022 AUM?	Is identified as a lead/co-lead at a U.S.-based focus company? ⁵
China Asset Management Co Ltd	264,700	Asset Manager	China	Not for U.S.-based focus companies	No	Yes	No
ClearBridge Investments	120,500	Asset Manager	US	Yes	Yes	No	No
cnp assurances	347,800	Asset Owner	France	Not for U.S.-based focus companies	No	Yes	No
Columbia Threadneedle US	468,000	Asset Manager	UK	Yes	Yes	No	No
Credit Suisse Asset Management	406,000	Asset Manager	Switzerland	Yes	Yes	Yes	No
DWS Investment Management Americas, Inc.	under parent ⁵	-	US sub-entity (parent in Germany)	Yes	Yes	No	No
DWS Investment Management GmbH	833,000	Asset Manager	Germany	Not for U.S.-based focus companies	No	Yes	No
Ecofin (now TortoiseEcofin)	no AUM available	Asset Manager	US	Yes	Yes	No	No
Fidelity International	400,941	Asset Manager	UK	Yes	Yes	Yes	No
Fisher Investments	120,900	Asset Manager	US	Yes	Yes	No	No
Franklin Templeton	1,500,000	Asset Manager	US	Yes	Yes	Yes	No
Generali Group	546,600	Asset Owner	France	Not for U.S.-based focus companies	No	Yes	No
Goldman Sachs Asset Management LP	2,000,000	Asset Manager	US	Yes	Yes	Yes	No
Government of Singapore Investment Corporation (GIC)	453,200	Asset Owner	Singapore	No	No	Yes	No
Government Pension Investment Fund (GPIF)	1,726,553	Asset Owner	Japan	Not for U.S.-based focus companies	No	Yes	No
Greentech Capital Advisors	483,000	Asset Manager	US	No	No	Yes	No
Hermes Equity Ownership Services (Federated Hermes)	669,000	Asset Manager	UK	Yes	No	Yes	Yes
HSBC Global Asset Management	455,200	Asset Manager	UK	Yes	No	Yes	No
IFM Investors	675,224	Asset Manager	Australia	Not for U.S.-based focus companies	No	Yes	No
Illinois State Treasurer's Office	52,000	Asset Owner	US	Yes	No	No	Yes
Intech Investments	459,000	Asset Manager	US	Yes	No	Yes	No
Invesco	1,390,000	Asset Manager	UK	Yes	Yes	Yes	No
J.P. Morgan Asset Management	2,500,000	Asset Manager	US	Yes	Yes	Yes	No
Janus Henderson Investors	357,300	Asset Manager	UK	Yes	Yes	Yes	No
Jennison Associates	245,771	Asset Manager	US	Yes	Yes	No	No
Lazard Asset Management	259,000	Asset Manager	UK	Yes	Yes	No	No
Legal & General Investment Management	1,700,000	Asset Manager	UK	Yes	Yes	Yes	No

¹See Appendix B: Methodology

²As reported on Climate Action 100+ website

³As reported on Climate Action 100+ website

⁴Identified by *Responsible Investor*, see Appendix B: Methodology

⁵The voting record for BMO Global Asset Management reflects BMO Global Asset Management (EMEA); this entity was acquired by Columbia Threadneedle in November 2021, but was not formally rebranded to Columbia Threadneedle until July 2022.

Investor	AUM, in usd millions ¹	Investor type ²	Investor HQ ³	Vote data available in insightia? ⁴	Among top 50 holders of shares across U.S.-based focus companies? ⁴	Among top 75 investors by 2022 AUM?	Is identified as a lead/co-lead at a U.S.-based focus company? ⁵
Loomis Sayles	357,700	Asset Manager	US	Yes	Yes	Yes	No
Lord Abbett	219,100	Asset Manager	US	Yes	Yes	No	No
M&G Investments	498,473	Asset Manager	UK	Yes	Yes	Yes	No
Mackenzie Financial Corporation	141,700	Asset Manager	Canada	Not for U.S.-based focus companies	Yes	No	No
Macquarie Asset Management (formerly Delaware)	256,268	Asset Manager	US	Yes	Yes	No	No
Manulife Investment Management	406,000	Asset Manager	Canada	Yes	Yes	Yes	No
MARSHALL WACE, LLP	No AUM available	Asset Manager	UK	Not for U.S.-based focus companies	Yes	No	No
MEAG Munich Ergo Asset Management GmbH	285,900	Asset Manager	Germany	No	No	Yes	No
Mercer	1,331,000	Asset Owner	Australia	Yes	No	Yes	No
Mercy Investment Services	no AUM available	Asset Owner	US	Yes	No	No	Yes
MFS Investment Management	414,900	Asset Manager	US	Yes	Yes	Yes	No
Miller/Howard Investments Inc	4,200	Asset Manager	US	Yes	No	No	Yes
Mitsubishi UFJ Trust and Banking	374,000	Asset Manager	Japan	Not for U.S.-based focus companies	Yes	Yes	No
Munich Re	349,216	Asset Owner	Germany	Not for U.S.-based focus companies	No	Yes	No
Neuberger Berman	283,900	Asset Manager	US	Yes	Yes	Yes	No
New York City Pension Fund	215,500	Asset Owner	US	Yes	No	No	Yes
New York State Common Retirement Fund	268,300	Asset Owner	US	Will not disclose until January 2023	No	Yes	Yes
Newton Investment Management	382,000	Asset Manager	UK	Yes	No	Yes	No
NN Investment Partners	296,900	Asset Owner	Netherlands	Not for U.S.-based focus companies	No	Yes	No
Nomura Asset Management	527,500	Asset Manager	Japan	Not for U.S.-based focus companies	Yes	Yes	No
Nordea Asset Management	666,841	Asset Manager	Sweden	Yes	Yes	Yes	No
Northern Trust Investments	1,610,000	Asset Manager	UK	Yes	Yes	Yes	Yes
Nuveen	298,000	Asset Manager	US	Yes	Yes	Yes	No
Ontario Teachers' Pension Plan	189,500	Asset Owner	Canada	Yes	Yes	No	No
Ostrum Asset Management (formerly Natixis)	303,761	Asset Manager	France	Not for U.S.-based focus companies	Yes	Yes	No
Parametric	2,700	Asset Manager	US	Yes	Yes	No	No
Payden & Rygel	1,344,000	Asset Manager	US	Yes	No	Yes	No

¹See Appendix B: Methodology

²As reported on Climate Action 100+ website

³As reported on Climate Action 100+ website

⁴Identified by *Responsible Investor*, see Appendix B: Methodology

Investor	AUM, in usd millions ¹	Investor type ²	Investor HQ ³	Vote data available in insightia? ⁴	Among top 50 holders of shares across U.S.-based focus companies? ⁴	Among top 75 investors by 2022 AUM?	Is identified as a lead/co-lead at a U.S.-based focus company? ⁵
Phoenix Group	417,488	Asset Owner	UK	No	No	Yes	No
Pictet Group	273,000	Asset Manager	UK	Yes	Yes	Yes	No
PIMCO	1,820,000	Asset Manager	US	Yes	No	Yes	Yes
Raiffeisen Pensionkasse	382,000	Asset Owner	UK	No	No	Yes	No
Railpen UK	38,677	Asset Owner	UK	Yes	No	No	Yes
RBC Global Asset Management, Inc.	371,500	Asset Manager	Canada	Yes	Yes	Yes	No
Robeco	221,000	Asset Manager	Netherlands	Yes	No	No	Yes
Rothschild & Co Asset Management Europe	8,466	Asset Manager	France	Yes	Yes	No	No
Russell Investments	292,700	Asset Manager	UK	Yes	No	Yes	No
Sarasin & Partners LLP	17,327	Asset Manager	UK	Yes	Yes	No	Yes
Schroders	967,600	Asset Manager	US	Yes	Yes	Yes	No
Stance Capital	65	Asset Manager	US	Yes	No	No	Yes
State Street Global Advisors	4,100,000	Asset Manager	US	Yes	Yes	Yes	No
Sumitomo Life Insurance	371,000	Asset Owner	Japan	Not for U.S.-based focus companies	No	Yes	No
Sumitomo Mitsui Trust Asset Management	60,904	Asset Manager	Japan	Not for U.S.-based focus companies	Yes	Yes	No
Sumitomo Mitsui Trust Asset Management	508,750	Asset Manager	Japan	Not for U.S.-based focus companies	No	Yes	No
TD Asset Management	366,900	Asset Manager	Canada	No	No	Yes	No
The Dai-ichi Life Insurance Company	340,125	Asset Owner	Japan	Not for U.S.-based focus companies	No	Yes	No
UBS Asset Management	1,200,000	Asset Manager	Switzerland	Yes	Yes	Yes	Yes
Union Investment	383,969	Asset Manager	Germany	Yes	No	Yes	No
UniSuper	277,000	Asset Manager	Australia	Yes	No	Yes	No
Washington State Investment Board	146,102	Asset Owner	US	Yes	No	No	Yes
Wellington Management Company, LLP	1,200,000	Asset Manager	US	Yes	Yes	Yes	No
Wespath Investment Management	21,000	Asset Owner	US	Was processing at time of analysis	No	No	Yes
Western Asset Management	397,800	Asset Manager	US	Not for U.S.-based focus companies	No	Yes	No
Zevin Asset Management	631	Asset Manager	US	Not for U.S.-based focus companies	No	No	Yes

¹See Appendix B: Methodology

²As reported on Climate Action 100+ website

³As reported on Climate Action 100+ website

⁴Identified by *Responsible Investor*, see Appendix B: Methodology

Appendix B

Methodology

Establishing the Investor Universe and Investor Class

For the purposes of this analysis, an investor-signatory is considered “key” if it:

- 1** is one of the **top 75 investors** by AUM of all CA100+ investor signatories, or
- 2** is among the **top 30 holders of shares** at the 45 U.S.-based CA100+ focus companies during the 2022 proxy season, or
- 3** was identified by *Responsible Investor* as a **lead engager or co-lead** at a U.S.-based CA100+ focus company.³⁵

Identifying signatories: For this analysis, we reviewed the investor-signatory list on the Climate Action 100+ website as of September 1, 2022.³⁶

Identifying AUM: In 2021, as part of our analysis, we aimed to identify investors responsible for a majority of the assets under management of CA100+ signatories – at the time more than \$60 trillion.³⁷ Accordingly, we researched AUM for the then-567 listed investor signatories, using a data hierarchy that prioritized Insightia data and, where unavailable in Insightia, company sources via web research. For that year’s analysis, this research was performed between July 1 and September 20, 2021. After this analysis was published, we continued updating known AUM on an ad hoc basis, using the same data hierarchy throughout 2022.

To establish the investor class for 2022, we performed the same research described above for the approximately 133 signatories added to the CA100+ investor list between last year’s analysis and September 1, 2022. Additionally, we

conducted web research to identify current AUM for investors whose AUM in Insightia was over \$1 trillion. Given the shifting nature of AUM and recognizing that data from different sources can vary greatly, in contrast to last year’s analysis, we did not use AUM as the sole determinative criterion for inclusion in the investor universe.

Identifying top holders of shares: To determine which investors held the largest shares in the U.S.-based focus companies, we assembled a list of the top 30 shareholders for each U.S.-based focus company based on 13-F filings downloaded from Insightia in October 2022. Among those top shareholders, we identified CA100+ signatories. In some cases, the investor entity that met the criterion of the top holder of shares was a regional sub-entity of a signatory, so we worked with Insightia to ensure that the sub-entity was actually nested under a signatory parent and was not a separate entity. We did not determine AUM at the sub-entity level, as once an investor was determined to have met the top-shareholders threshold, its AUM was no longer determinative for inclusion. For those sub-entities, we did use the voting data only for the entity which met our criteria. In the case of Amundi Asset Management, Amundi Asset Management U.S. is one of the top holders of shares of focus companies, while Amundi Asset Management is one of the largest 75 signatories by AUM according to our research; thus, both entities are part of our investor class and evaluated based on their individual voting behavior.

Identifying lead engagers: Information about investors’ lead and co-lead responsibilities is drawn from a January 2022 article by *Responsible Investor* authors, who sourced the partial list from public and private information, including investor

reports, Freedom of Information Act requests, and interviews.³⁸ While the CA100+ initiative does not publish lead engagers' identities, it also does not prohibit investors from identifying themselves as such.³⁹ We eliminated investors who are no longer listed as signatories to CA100+. Majority Action recognizes that this information regarding lead responsibility may be outdated and applied this criterion whether or not those investors are currently leads.

From this universe of 104 investors that met one or more of these criteria, we applied an additional criterion that investors' data must be analyzable, so we determined whether voting data for those 104 investors was available in Insightia. As of November 16, 2022, of the 104 investors, eight did not have any voting data in Insightia, and twenty-three did not have voting data for any of the specified U.S.-based focus companies. (see

Appendix A for further detail). This established an investor class of 73 investor-signatories.

Assessing Voting Behavior

For each of the 73 key investor signatories, we calculated voting behavior at U.S.-based CA100+ focus companies based on the data available in Insightia. We excluded Procter & Gamble from the list of analyzed companies, as its October 2022 annual meeting results were not yet available.

In the data provided by Insightia, funds voted are aggregated under each investor-signatory's name, with one vote per signatory per director. We retained this aggregation and did not use any fund-level voting, with the exception of split votes (see below).

Investors may have held shares and voted at additional companies, but the data was not yet made available or fully processed by Insightia at the time of our analysis. For example, Federated Hermes and Stance Capital had voting data for a limited number of companies at the time of analysis but not at their respective lead companies as identified by *Responsible Investor*.⁴⁰

For all director votes, we only counted votes in favor; we did not differentiate between against votes, abstentions, votes withheld, or "did not vote" ("DNV"). In the case of split votes, we analyzed fund-level data and characterized the split vote as a "for" if 75% or more of the funds voted for the resolution.



Endnotes

- ¹ Climate Action 100+, “Investor Signatories” (website), <https://www.climateaction100.org/whos-involved/investors/> and Climate Action 100+, “About Climate Action 100+,” <https://www.climateaction100.org/about/>, accessed December 8, 2022
- ² Climate Action 100+, “Companies” (website), <https://www.climateaction100.org/whos-involved/companies/>
- ³ Climate Action 100+, “About Climate Action 100+,” <https://www.climateaction100.org/about/> accessed December 8, 2022
- ⁴ Majority Action, *Fulfilling the Promise*, February 2022. https://static1.squarespace.com/static/5d4df99c531b6d0001b48264/t/61f9dd286de416510cf30326/1643765035439/MajorityAction_CA100_Report2022.pdf
- ⁵ IPCC, *Sixth Assessment: Mitigation of Climate Change*, April 4, 2022. <https://www.ipcc.ch/report/ar6/wg3/>
- ⁶ Climate Action 100+, “Net Zero Company Benchmark” (website), <https://www.climateaction100.org/net-zero-company-benchmark/>, accessed December 8, 2022.
- ⁷ Climate Action 100+, “Progress Update” (website), <https://www.climateaction100.org/progress/progress-update/>, accessed December 8, 2022
- ⁸ Climate Action 100+, “Net Zero Company Benchmark” (website), <https://www.climateaction100.org/net-zero-company-benchmark/>, accessed December 8, 2022
- ⁹ Climate Action 100+, “Climate Action 100+ Net Zero Company Benchmark Sector insights – March 2022 Benchmark Company Assessments” https://www.climateaction100.org/wp-content/uploads/2022/07/Climate-Action-100-March-2022-Benchmark-Sector-Analysis_July22.pdf, page 6
- ¹⁰ Climate Action 100+, “Climate Action 100+ Net Zero Company Benchmark Sector insights – March 2022 Benchmark Company Assessments” https://www.climateaction100.org/wp-content/uploads/2022/07/Climate-Action-100-March-2022-Benchmark-Sector-Analysis_July22.pdf, page 6
- ¹¹ See also: Henrik Jeppesen, Henrik, “CA100+ A Long Way From Destination,” (Carbon Tracker blog), March 28, 2022, <https://carbontracker.org/ca100-a-long-way-from-destination/>
- ¹² Climate Action 100+, “The Three Asks” (website), <https://www.climateaction100.org/approach/the-three-asks/>
- ¹³ Climate Action 100+, “Engagement Process” (website), <https://www.climateaction100.org/approach/engagement-process/>
- ¹⁴ Climate Action 100+, “Proxy Season Activity: Frequently Asked Questions” (website). <https://www.climateaction100.org/approach/proxy-season/faqs/> Accessed December 7, 2022
- ¹⁵ Climate Action 100+, “Proxy Season Activity: Frequently Asked Questions” (website). <https://www.climateaction100.org/approach/proxy-season/faqs/> Accessed December 7, 2022
- ¹⁶ Webb, Dominic. “Who’s Doing What For CA100+” *Responsible Investor*, January 20, 2022, <https://www.responsible-investor.com/who-s-doing-what-for-ca100-here-s-ri-s-list-of-lead-and-supporting-investors-at-the-initiative-s-focus-companies/>.
- ¹⁷ Majority Action, *Fulfilling the Promise*, February 2022, <https://www.majorityaction.us/climate-action100-report-2022>
- ¹⁸ Procter & Gamble has been excluded from this analysis, as the voting data for its October 2022 annual meeting was not yet available. Please see Appendix B: Methodology for more information.
- ¹⁹ Climate Action 100+, “Climate Action 100+ Net Zero Company Benchmark - Summary of company assessments, March 2022,” https://www.climateaction100.org/wp-content/uploads/2022/04/March-2022_Benchmark-assessments_public-summary_Final_.pdf. Note that although the referenced document was published in July 2022, assessment results for individual companies as well as overall impressions were publicly available in March 2022. CA100+ released interim assessments in October 2022, currently available in the CA100+ company profiles, reflecting company changes as of May 13, 2022. While some companies adopted policies or made changes between January and May that improved their performance against the benchmark, Majority Action’s analysis relies on the March 2022 company assessments as the baseline, given that this is what was available to investors ahead of the 2022 proxy season.
- ²⁰ Analysis was performed using March 2022 company assessments downloaded from the Climate Action 100+ website: <https://www.climateaction100.org/net-zero-company-benchmark/>
- ²¹ Analysis was performed using March 2022 company assessments downloaded from the Climate Action 100+ website: <https://www.climateaction100.org/net-zero-company-benchmark/>
- ²² IPCC, *Special Report on Global Warming of 1.5 °C Approved by Governments*, October 2018. <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>
- ²³ IEA, *Net Zero by 2050: A Roadmap for the Global Energy Sector*, April 2021. https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf, p. 21
- ²⁴ IIGCC, “Global Sector Strategies: Investor Interventions to Accelerate Net Zero Electric Utilities.” October 2021. <https://www.climateaction100.org/wp-content/uploads/2021/10/Global-Sector-Strategy-Electric-Utilities-IIGCC-Oct-21.pdf>, p. 12
- ²⁵ Carbon Tracker, *Adapt to Survive: Why Oil Companies Must Plan for Net Zero and Avoid Stranded Assets*, October 9, 2021. <https://carbontracker.org/reports/adapt-to-survive/>
- ²⁶ Climate Action 100+, “Climate Action 100+ Flagged Shareholder Proposals” (website), September 1, 2022. <https://www.climateaction100.org/approach/proxy-season/>

- ²⁷ Climate Action 100+, “Climate Action 100+ Flagged Shareholder Proposals” (website), September 1, 2022. <https://www.climateaction100.org/approach/proxy-season/>, accessed September 1, 2022
- ²⁸ Climate Action 100+, “Climate Action 100+ Flagged Shareholder Proposals” (website), <https://www.climateaction100.org/approach/proxy-season/>, accessed September 1, 2022
- ²⁹ CalPERS, “Notable Proxy Votes” (Berkshire Hathaway). <https://www.calpers.ca.gov/page/investments/corporate-governance/proxy-voting/notable-proxy-votes> Accessed November 18, 2022
- ³⁰ ConocoPhillips, SEC Filing on Form PX14A6G, May 5, 2022, <https://www.sec.gov/Archives/edgar/data/1013143/00016236322000587/form.htm>
- ³¹ Kasargod-Staub, Eli. “Why did Shareholder Resolutions on Climate Action and Racial Equity Fall Short? Big Asset Managers.” Impact Alpha, July 12, 2022. <https://impactalpha.com/why-did-shareholder-resolutions-on-climate-action-and-racial-equity-fall-short-big-asset-managers/>
- ³² Climate Action 100+, “Climate Action 100+ Flagged Shareholder Proposals” (website). Undated. <https://www.climateaction100.org/approach/proxy-season/> Accessed November 18, 2022. *Management support for these proposals was indicated in individual company proxy statements.*
- ³³ Based on an analysis by Majority Action using voting data from Insightia, September 2022. This analysis has been made available to investors on an individual basis.
- ³⁴ Kasargod-Staub, Eli. “Why did Shareholder Resolutions on Climate Action and Racial Equity Fall Short? Big Asset Managers.” Impact Alpha, July 12, 2022. <https://impactalpha.com/why-did-shareholder-resolutions-on-climate-action-and-racial-equity-fall-short-big-asset-managers/>
- ³⁵ Webb, Dominic. “Who’s Doing What for CA100+” Responsible Investor, January 20, 2022. <https://www.responsible-investor.com/who-s-doing-what-for-ca100-here-s-ri-s-list-of-lead-and-supporting-investors-at-the-initiative-s-focus-companies/>
- ³⁶ Climate Action 100+, “Investors” (website). <https://web.archive.org/web/20220423162628/https://www.climateaction100.org/whos-involved/investors/page/14/>
- ³⁷ Majority Action, *Fulfilling the Promise*, February 2022. https://static1.squarespace.com/static/5d4df99c531b6d0001b48264/t/61f9dd286de416510cf30326/1643765035439/MajorityAction_CA100_Report2022.pdf, p. 45
- ³⁸ Webb, Dominic. “Who’s Doing What For CA100+” Responsible Investor, January 20, 2022. <https://www.responsible-investor.com/who-s-doing-what-for-ca100-here-s-ri-s-list-of-lead-and-supporting-investors-at-the-initiative-s-focus-companies/>
- ³⁹ Climate Action 100+, “Proxy Season Activity: Frequently Asked Questions” (website). <https://www.climateaction100.org/approach/proxy-season/faqs/> Accessed December 7, 2022
- ⁴⁰ Federated Hermes does make data available on its website, and notes in its proxy voting disclosure that voting decisions for Federated Hermes include Hermes Investment Management. <https://www.hermes-investment.com/uploads/2022/08/205bd2f69dd9fc1cd-4f4a99612c32534/fhl-corporate-voting-disclosure-q2-2022.pdf> As this voting data does not meet our criterion of analyzable data in Insightia, it was not incorporated into our analysis. The CA100+ signatory list lists Hermes Equity Ownership Services as an “engagement services provider” while Hermes Investment Management is categorized as an asset manager.