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Contact: Charmaine Riley, [charmaine@abpartners.co](mailto:charmaine@abpartners.co)



## **NEW REPORT REVEALS: For 2nd Straight Year, Proxy Voting by Climate Action 100+’s Largest Investor-Signatories Undermines Goals of World’s Largest Investor Climate Initiative**

*Despite US companies failing Climate Action 100+’s own Benchmarks on climate performance and governance, majority of key Climate Action 100+ investor signatories rubber stamped nearly all corporate directors in 2022*

NEW YORK (January 10, 2023) — Today a [new report](#) by shareholder advocacy organization, [Majority Action](#), reveals how the efforts of [Climate Action 100+](#) and its leading investors to hold boards of high-emitting companies accountable for their failures of climate governance have yet again been undermined by the initiative’s largest investor-signatories in 2022.

[Fulfilling the Promise 2023: How Climate Action 100+ Investor-Signatories can Mitigate Systemic Climate Risk](#) found that while many Climate Action 100+ (CA 100+) investor-signatories demonstrated new levels of proxy voting leadership, the majority of investor-signatories analyzed had failed to use their voting power to hold companies to the standards for decarbonization targets, performance, and governance set by Climate Action 100+ Net Zero Company Benchmark. This year’s analysis evaluates the voting and disclosure of an expanded set of 104 key CA100+ investor-signatories in board director elections at US-based focus companies— selected based on assets under management, shares held in US-based focus companies, and/or for engagement roles within the initiative.

“Laggard companies will only begin to shift their behavior along the timeline required when their large shareholders—including CA 100+ signatories BlackRock and State Street—set

Paris-aligned expectations and hold corporate boards accountable through their proxy votes,” said **Eli Kasargod-Staub, executive director of Majority Action**.

As the world’s largest climate-focused investor initiative, Climate Action 100+ unites \$68 trillion in assets under management (AUM) to ensure the world’s largest corporate greenhouse gas emitters take action to address the systemic risks of climate change to long-term investors and the global financial system. Yet after 5 years of engagement, [Climate Action 100+’s own Net Zero Company Benchmark](#) demonstrates that systemically important US emitters are still failing to set targets or align their capital expenditures or policy influence commensurate with the scale and urgency of the needed energy transition.

“The ultimate responsibility for each company’s response to climate change lies with its directors. It is imperative that the largest GHG emitters adopt meaningful Net Zero by 2050 commitments,” said **Adam Kanzer, Head of Stewardship-Americas for BNP Paribas**.

“Last year we began holding CA100+ company boards accountable for their performance on indicator one of the Net Zero Benchmark – whether a meaningful commitment is in place. For companies scoring zero or a partial score but have not made progress over the past year, we oppose the discharge of board and management, board re-elections or approval of the financial statements, depending on the market. Decisions are made on a case by case basis, but the CA100+ net zero benchmark is a useful tool to help guide our analysis. We hope that our policy will serve as an example for other investors looking for effective ways to hold boards accountable for climate action.”

Key report findings include:

- The majority of key CA 100+ investor-signatories supported 90% or more of the directors at US-based focus companies. The leaders are investors who 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, and the Illinois State Treasurer’s Office.
- 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.
- Ahead of the 2022 proxy season, 17 US-based focus companies failed to disclose a net zero ambition. However, twenty-five key CA 100+ investors supported the entire board at most of these companies, and ten key investors supported every single director at every company.

- At every company where lead engagers flagged votes opposing directors, more than 15% of key CA 100+ investors opposed at least one flagged director, suggesting that vote flagging serves an essential function.
- Nearly half of key CA 100+ investors voted for 90% or more of flagged directors, including some of the largest signatories by AUM. Fourteen investors supported every flagged director.
- 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.

Majority Action is urging Climate Action 100+ as a coalition to:

- 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.
- 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.
- 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.
- Encourage investor-signatories to disclose their proxy votes in advance of annual meetings.
- Require that investor-signatories publicly disclose their votes in a timely fashion following the annual meeting.

Majority Action urges lead engager investor-signatories to:

- Lead their engagement group in crafting an agreed upon time-bound 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.
- 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.
- 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.
- 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.

- Disclose all votes at Climate Action 100+ focus companies within six months of the AGM.

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*Majority Action is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility. [www.majorityaction.us](http://www.majorityaction.us)*