

The 2023 Proxy Voting Cycle in Review

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About the Center for Active Stewardship

The Center for Active Stewardship (CAS) is dedicated to developing data and analytics for understanding shareholder advocacy on climate issues. CAS's research illuminates how asset managers, pension systems, and other shareholders are wielding the tools of corporate governance to shape the energy transition.

What This Report is About

Shareholder advocacy on climate had a brief moment in the sun from 2019-21. Activist proposals calling for companies to take climate action – setting emissions targets, committing to eliminating deforestation and plastic waste in their supply chains, and outlining plans for navigating the energy transition – saw a groundswell of support from shareholders. The share of climate proposals that succeeded – either winning a majority of shareholder votes, or reaching a negotiated settlement between activists and management – peaked at nearly 70% in 2021.

Since then, investor support for these proposals has plummeted to levels less than half that at its peak. CAS analysis shows that support for climate proposals is falling **across all categories**, and that **there seems to be little to no relationship between the specific “ask” a proposal makes and its odds of success**. Company-specific context is necessary to make sense of voting outcomes, which often reflect an investor preference for using votes to send a directional signal on management's approach to climate-related risks and opportunities, rather than a literal endorsement of the text of a proposal.

Greater transparency on the rationale for specific voting decisions can help boards and activists alike better understand how investors are approaching specific climate issues. BlackRock's standardized [vote disclosures](#) and Neuberger Berman's [NB Votes](#) memo series are steps in the right direction.

Key Findings

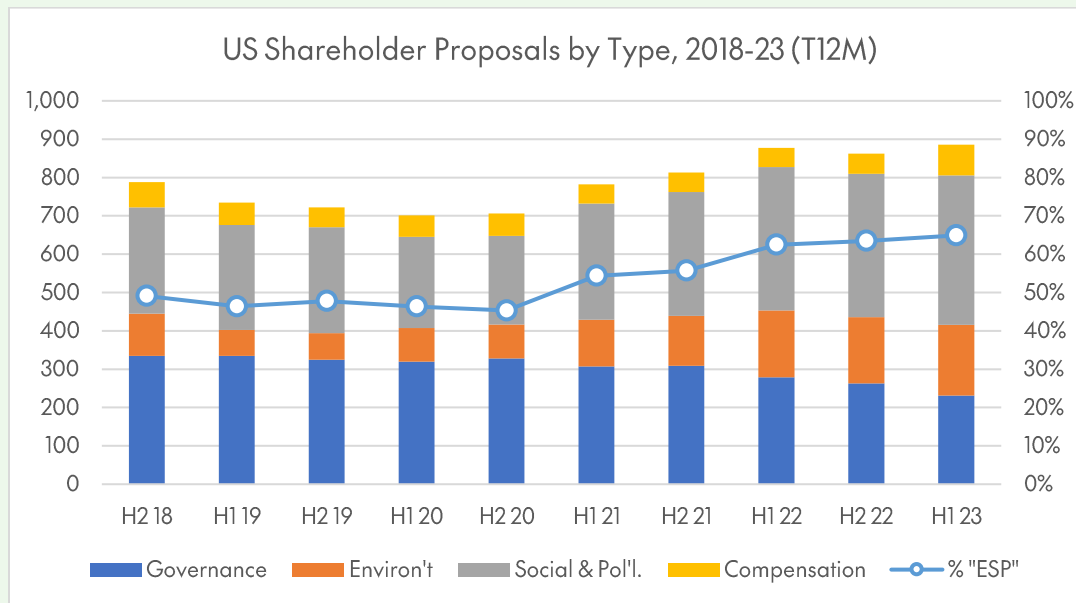
- The number of shareholder proposals on climate issues making it to a vote is **increasing rapidly** – those in CAS's coverage universe are **up 24 percent** so far this year, and nearly three-fold compared to 2019.

- Nonetheless, success rates **continue to fall**, reaching a multi-year low of 32 percent - **down 27 percent year-on-year** and 2 percent versus 2019. All proposal categories are seeing support crater – contrary to some reports, falling support within each proposal category is by far the biggest driver of declining success for activists, not the changing mix of proposals by category.
- Voting by state pension systems is **wildly divergent**, with a spread of **70-80 percent** in support for climate proposals by the largest “blue-” and “red-state” pension funds.
- While proposals are indeed getting more “prescriptive” over time, there appears to **be almost no relationship** between a proposal’s specific features, or the structure of a target company’s existing GHG targets, and an activist proposal’s odds of success.
- Despite a growing number of sustainability-focused campaigns against re-electing corporate board members, independent shareholders are withholding their votes from targeted directors at **lower rates** than last year.

I. Proposal Activity Remains Elevated

Over the past several years, activist groups have filed an increasing number of **climate-focused shareholder proposals** directed at public companies. The shareholder proposal process enables investors who [own a small number of shares](#) to put non-binding resolutions forward at corporate annual meetings. These are often labeled “14a-8 Proposals,” after the section of the Securities and Exchange Act of 1934 that defines them.

From 2017-2020, roughly half of proposals lodged at US companies focused on social, political, or environmental issues, as opposed to the more technical realms of executive compensation and corporate governance.¹ Since 2021, the share of proposals focused on these issues has **increased to nearly 2/3**, reaching an all-time high both in percentage terms and in absolute numbers in H1 2023 (on a trailing twelve-month basis).

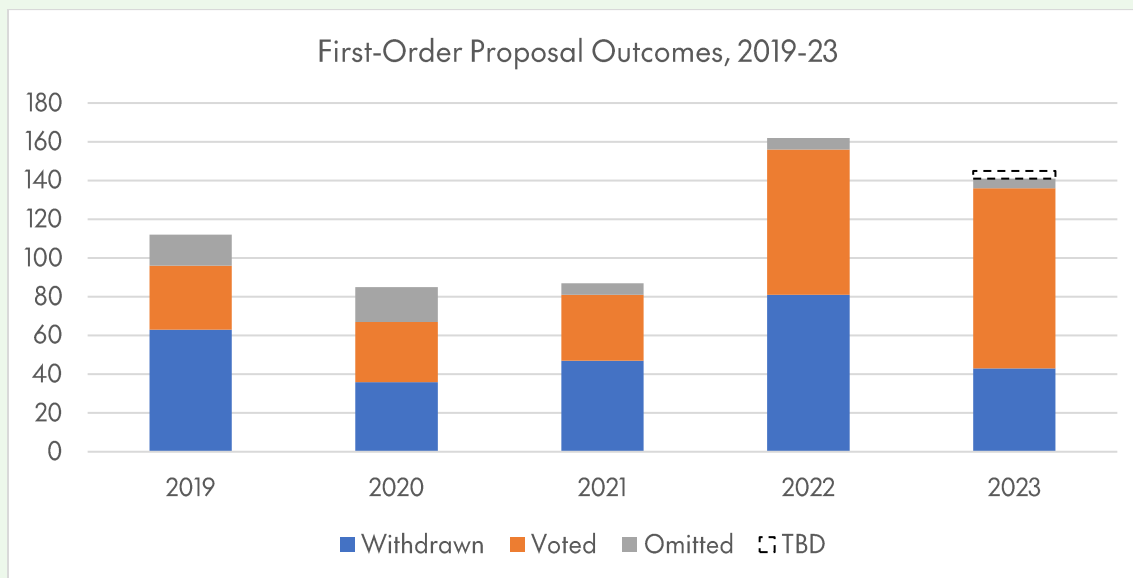


Source: Sullivan & Cromwell

Individuals and mission-driven investors dominate the slate of proposals voted on by shareholders. In 2023, **30 percent** of proposals targeting US companies year-to-date have been filed by just four individuals – John Chevedden, James McRitchie, Myra Young, and Kenneth Steiner. But, paradoxically, the key constituents voting on these proposals are a small number of massive asset management firms. Three of the biggest, BlackRock, Vanguard, and State Street, now make up [over 25 percent of the vote](#) at companies in the S&P 500 index.

¹ Corporate governance related shareholder proposals generally call for a company to modify the rules that govern the relationship between its board of directors and shareholders; for example, by making it easier for shareholders to call for a special meeting.

Adding a further layer of complexity to the system is the tension between “value-based” and “values-based” investing. Many activists pushing for corporate action on environmental issues (for example) are motivated by policy goals. That is, they want to minimize the negative externalities created by a company’s activities for its own sake. Conversely, most investors have signed on to a [much less expansive vision](#) of environmental, social and governance (ESG) investing, and need to understand how a proposal will either help mitigate environmental risks or unlock green opportunities to lend it their support.

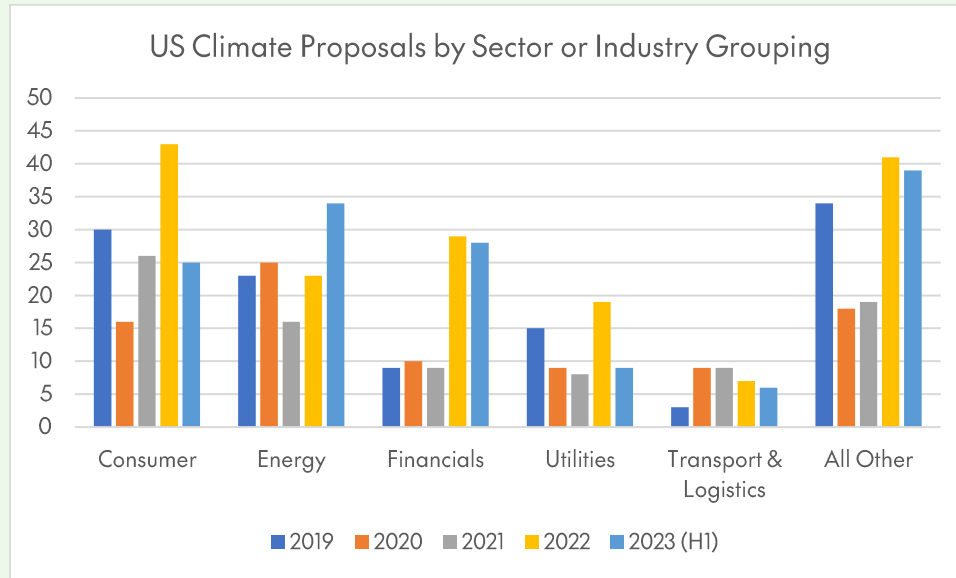


Source: CAS Analysis / SEC EDGAR

The number of proposals reaching a vote has grown at a much faster pace than the overall universe of proposals CAS tracks: the number of climate proposals actually voted on by shareholders has **nearly tripled since 2019** (a 30 percent CAGR). While companies can request “no-action relief” from the US Securities and Exchange Commission (SEC), a process that, if successful, allows them to exclude dissident proposals from their official proxy statements², the SEC gives broad latitude to policies that deal with “significant social policy” issues. This has been a tailwind for activists, as the share of climate proposals omitted from the target companies’ proxy statements has fallen from ~14 percent to just ~4 percent over the last five years.

Climate proposals have historically taken aim at a broad swath of companies, and not just oil and gas producers, though the energy sector, with its share of proposals ranging from 14-29 percent between 2019 and 2023 (averaging ~20 percent) is over-represented relative to its weight in the S&P 500 index of slightly more than 4 percent. Another theme is the rapid rise in proposals targeting companies in the financial sector, most commonly banks and insurance companies.

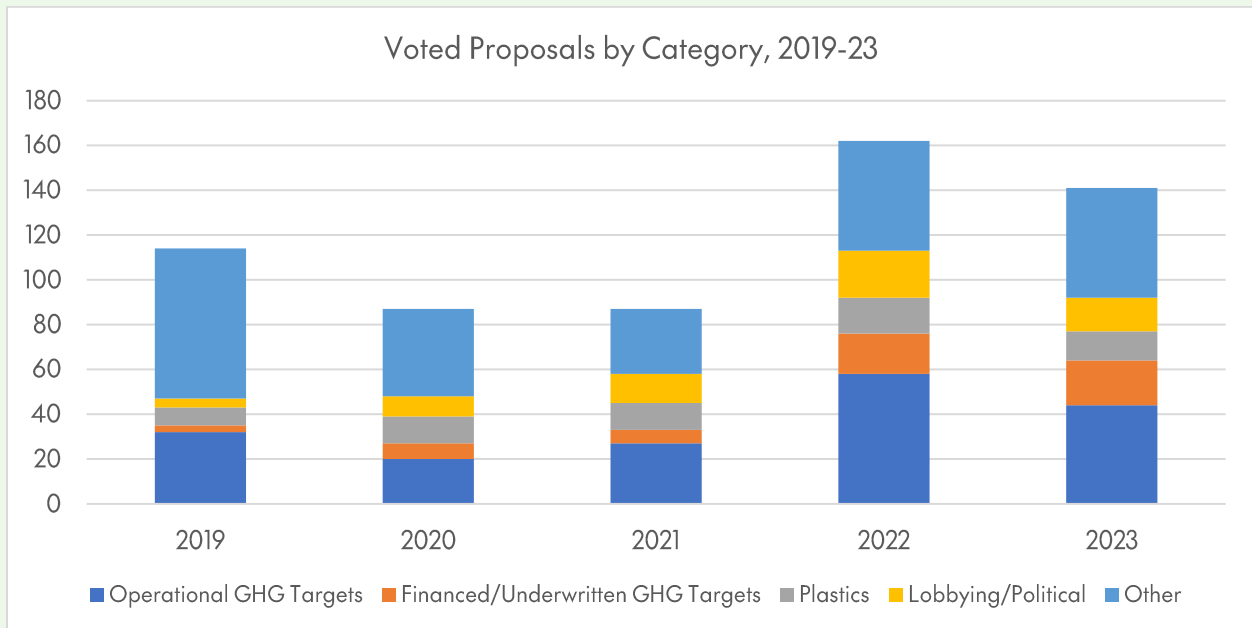
² A “proxy statement” is filed by a public company in order to solicit permission to vote “proxies” on behalf of its shareholders at an upcoming meeting, which allows them to express their voting intentions without being physically present. In the US, proxy statements must generally be filed [within 120 days](#) of the end of a company’s fiscal year.



Source: CAS Analysis / Refinitiv

Out of the proposal types that CAS tracks, four are most common, making up around 60 percent of proposals over the last five years:

- Proposals calling for companies to set **GHG emissions targets** that apply to their own “operational” emissions, whether Scope 1 (direct), Scope 2 (emissions from purchased electricity), or Scope 3 (indirect emissions including from customers and suppliers).
- Proposals related to **financed emissions**, which apply to the GHG emissions profile of a bank or insurance company’s lending, underwriting, and/or investing activities.
- **Lobbying and political influence** focused proposals asking for transparency on how much money companies spend on shaping the political process, including indirectly through trade associations, and excluding proposals lacking climate-specific language.
- Proposals oriented toward the **plastics value chain**, directed most often at consumer-facing companies that use large quantities of disposable plastic packaging, and at refining and chemicals companies involved in plastic production.



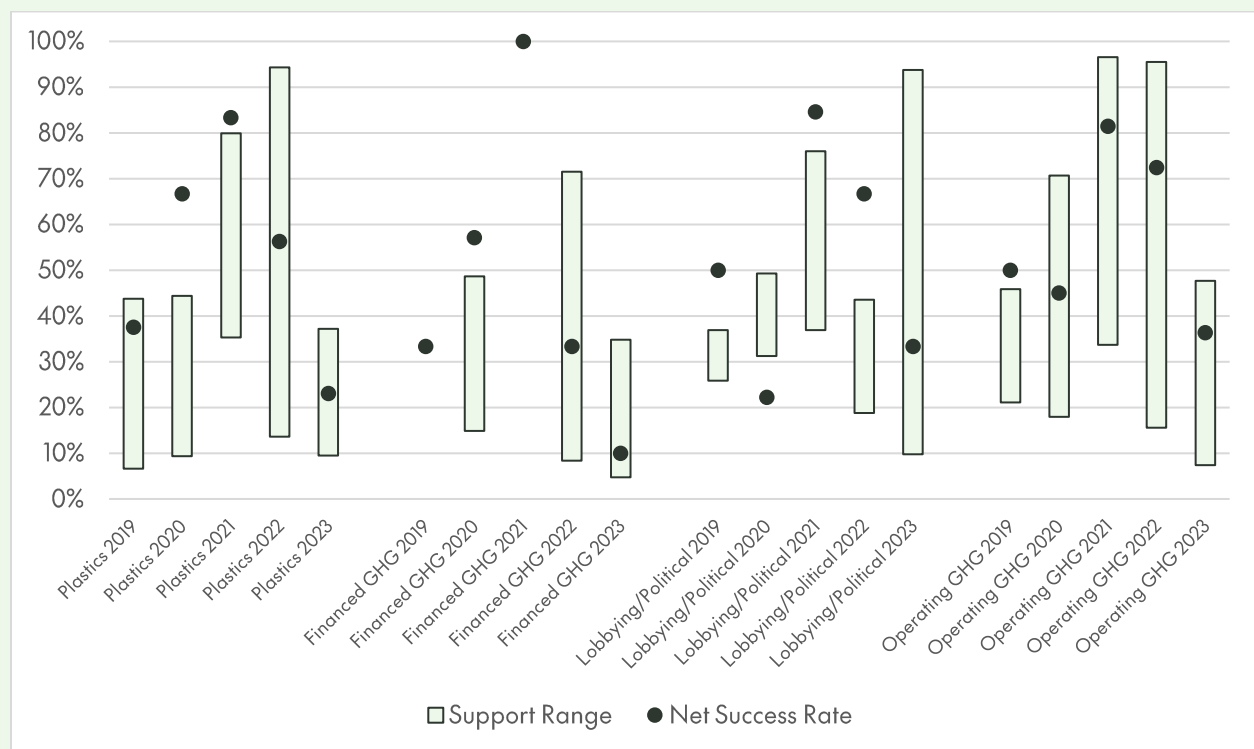
Source: CAS Analysis / SEC Edgar

Proposals focused on financing-related emissions and on climate-related lobbying and political influence spending have both grown rapidly as a percentage of the voted proposal base – from ~3 percent to ~14 percent in the case of financed emissions, and from ~4 percent to ~11 percent in the case of climate-specific lobbying and political influence proposals.

II. Success Rates are Falling Across Categories

Success rates for climate-related proposals are falling across **all major categories**. One interpretation of the declining support for climate proposals from institutional investors over the last two proxy voting cycles has been that proposals have gotten too “prescriptive” – in other words, that they are increasingly attempting to micro-manage how companies approach the energy transition. BlackRock’s investment stewardship team identified overly prescriptive proposal language as the key factor in their decision to vote against 21 percent of environmental and social (E&S) shareholder proposals during the 2022 annual meeting season, for example, and reiterated their concern with proposals that were “[over-reaching, lacking economic merit, or simply redundant](#)” in their 2023 proxy voting report.

This dynamic has occasionally been conflated with the “mix shift” in climate proposals toward specific categories, like proposals addressing financed emissions, that have been particularly hard for investors to get comfortable with. However, we have observed a far more striking trend of declining “net success rates”³ across categories and independent of the specific action requested in a given proposal.



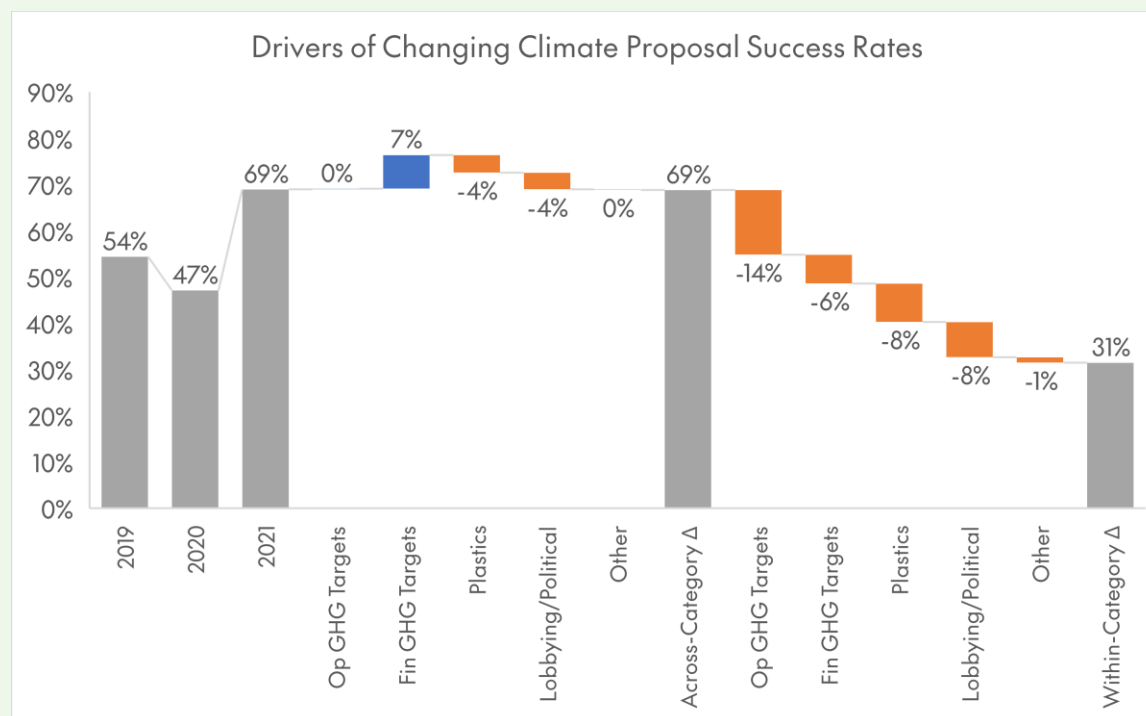
Source: CAS Analysis / SEC Edgar

The number of proposals addressing financed emissions was much lower in 2021 than in 2022 - just 6 of these proposals made it to a vote then, as compared to twenty so far this year. The content of these

³ CAS defines the “net success rate” as the share of proposals that were passed by a vote of shareholders or voluntarily withdrawn by their proponents, divided by the number of proposals with a known outcome.

proposals has also shifted a great deal, from widely acceptable requests for disclosures to more controversial requests for companies to (i) set absolute rather than intensity-based targets for financed emissions; (ii) offer more granular “transition reporting” on their plans to actually achieve their stated emissions targets, and (iii); set targets for a phase-out of all fossil fuel financing (and financial services more broadly).

The relatively low number of financed-emissions proposals in the base year and their shifting content both make analyzing change over time difficult. Nonetheless, disaggregating the drivers of the decline in success rates for climate proposals between 2021 and 2023 is a useful (if only illustrative) exercise, and produces a striking result. If financed GHG emissions proposals had maintained the same success rate they saw in 2021, the greater number of these proposals in subsequent years would have increased, rather than decreased, average success rates for climate proposals as a whole.



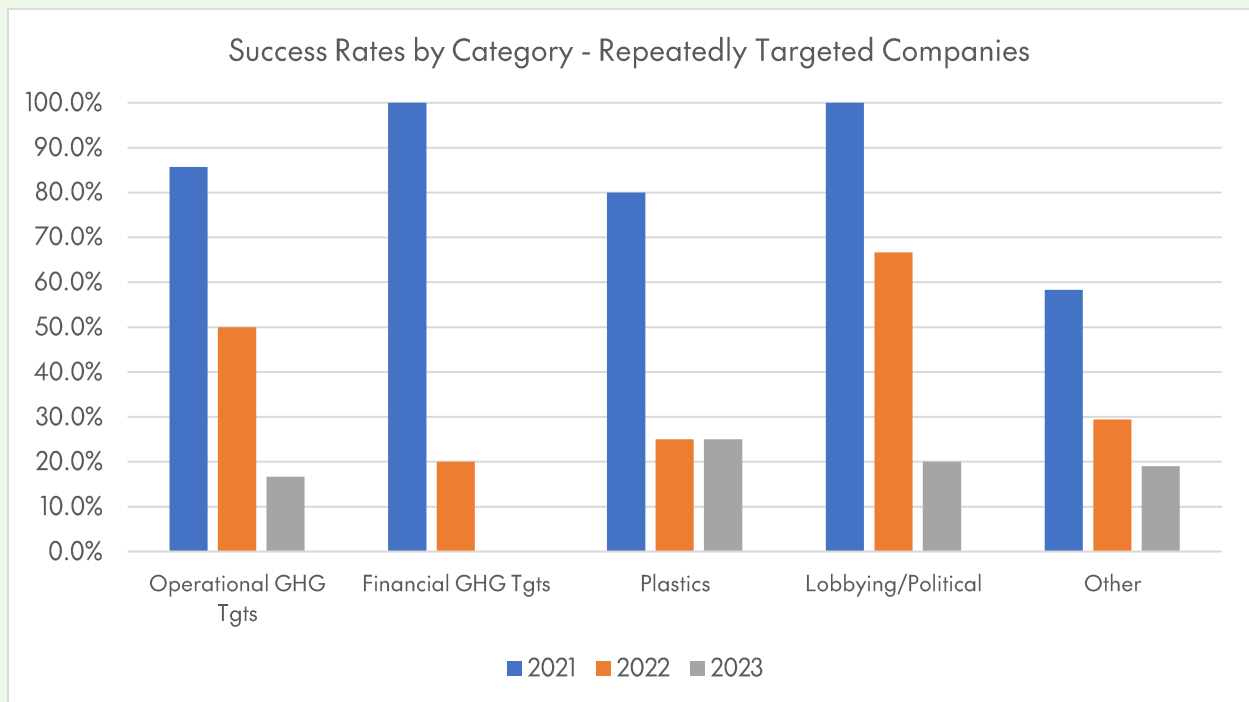
Source: CAS Analysis

Instead, the largest drivers of declining proposal success rates *by far* are not the shares represented by each category in the overall universe of climate proposals (holding support constant), but the declining success rates across all categories (holding their share of the total proposals constant).

Comparing proposals in subsequent years is more art than science. The text of the typical proposals filed by activist groups have evolved over time, generally incorporating more specific requests for climate-related targets and disclosures. The companies targeted by proposals with any particular set of attributes also shifts. Finally, the efforts companies are making to meet the demands of activists (and return-oriented investors) evolve.

Stated proxy voting policies published by large asset managers, while a helpful resource, also make it clear that firms like BlackRock and Vanguard apply a great deal of discretion in translating high-level principles (for example, a preference for disclosures aligned with the SASB and TCFD reporting standards) to voting decisions.

This makes it all the more striking that **support rates have dropped fastest for companies repeatedly targeted by climate activists.** This subset of CAS’s climate proposal data better controls for changes in company- and industry-specific characteristics that remained constant from 2021-23, showing a bigger rather than smaller drop-off in support.



Source: CAS Analysis

III. Pension Funds Responding to State ESG Mandates

Lawmakers and state officials in forty-seven out of fifty states have passed laws or issued rules either limiting or promoting the consideration of ESG-related factors when making investment decisions, or are considering doing so.

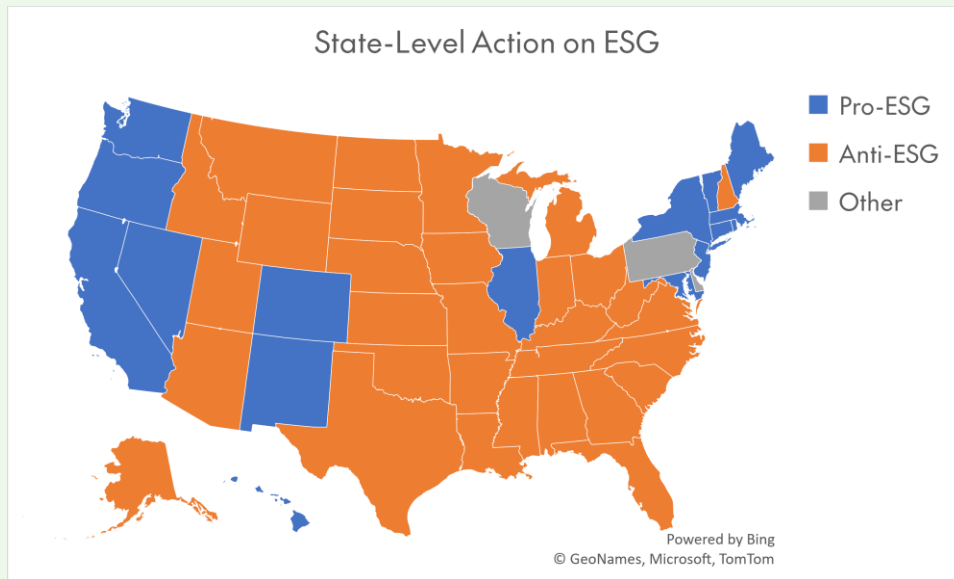
The term “ESG” was coined by the UN Principles for Responsible Investment initiative in 2005 in the so-called “[Freshfields Report](#),” which made the case that in key jurisdictions, the concept of “fiduciary duty” can extend to consideration of such non-financial data points as environmental damage and fair labor practices.

Since then, the concept of ESG has had a somewhat strange career, shaping regulation (the EU’s [Corporate Sustainability Reporting Directive](#) went into effect in January 2023), while also becoming the center-piece of a multi-year investment boom, attracting, at peak, [\\$21.5bn in quarterly inflows in the US](#), and hundreds of millions of dollars in incremental management fees for asset management firms. “ESG ratings,” by analogy with credit ratings, became a growth area for financial data vendors, with sustainability consultancy ERM ranking thirteen distinct providers in its [most recent landscape report](#).

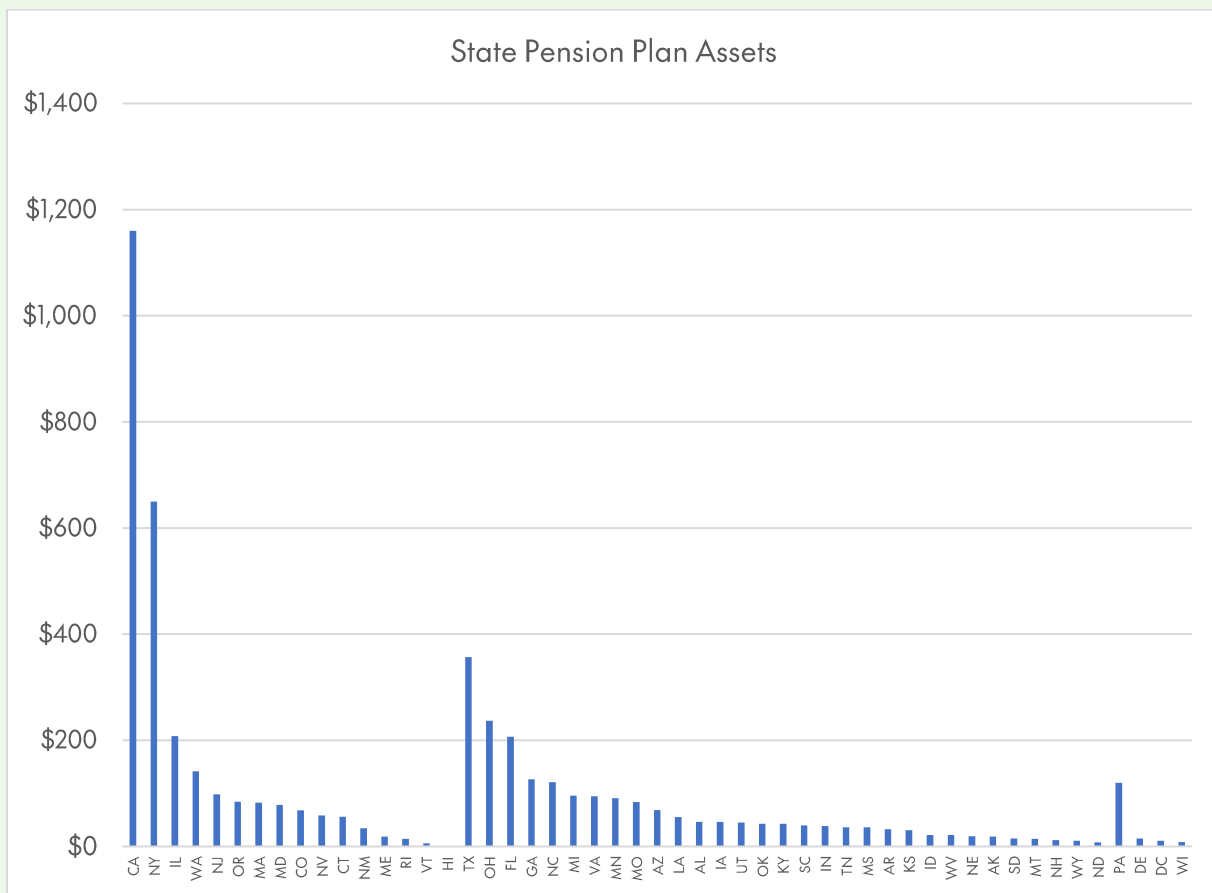
ESG ratings, in particular, have come under fire from various corners. [Over half](#) the divergence between ESG scores from different providers is driven by outright measurement disagreement, and the correlation between ESG scores can be [as low as 7 percent](#), compared to correlations of over 90 percent between corporate credit ratings.

More recently, ESG has become a political football in the United States, with many commentators on the political right identifying it as a campaign to achieve liberal policy goals, whether diversity in hiring or action on climate change. Proxy voting policies related to environmental and social issues have been a focus for Republican attorneys general, who have (for example) banded together to write [an open letter](#) criticizing the dominant proxy voting advice businesses, ISS and Glass Lewis, for their “apparent preference for environmental goals over financial ones.” Conversely, officials in Democratic-controlled states have made public statements attacking their Republican counterparts for “[short term thinking](#).”

The entities making pro- or anti-ESG policy statements include state legislatures, state treasurers (and other public finance officials), attorneys general, and pension systems. The precise focus of pro- or anti-ESG regulation also varies, ranging from policies discouraging (or encouraging) divestment from specific industries to blanket rules on the consideration of “non-pecuniary factors” by investment managers. Nonetheless, states can be broadly characterized as “pro-” or “anti-” ESG:



Source: Ropes and Gray



Source: Public Plans Data

A number of state pension systems – including the three most visible “red-” and “blue-” state and local pension systems – provide real-time disclosures of their shareholder voting decisions, allowing for a comparison of how public pension funds are navigating the increasingly complicated regulatory environment. These disclosures reveal a stark partisan split, with support for climate proposals ranging from **45-79 percent** for CalPERS, CalSTRS, and the various NYC pension systems, compared to **0-11 percent** for the Ohio PERS, Texas TRS, and the pension systems managed by the Florida SBA.

Pension System	For		Against		Mixed		Abstain		Total	
	#	%	#	%	#	%	#	%	#	%
CalPERS	61	74%	20	24%	0	0%	1	1%	82	100%
CalSTRS	40	45%	49	55%	0	0%	0	0%	89	100%
NYC	65	79%	0	0%	17	21%	0	0%	82	100%
Texas TRS	5	6%	72	94%	0	0%	0	0%	77	100%
Florida SBA	10	11%	79	88%	0	0%	1	1%	90	100%
Ohio PERS	0	0%	89	100%	0	0%	0	0%	89	100%

Source: CAS Analysis, State Pension Websites

Interestingly, there was a fair amount of divergence in which climate proposals earned a “for” vote from state pension fund managers. Among the three largest “blue state” pensions, the highest agreement rate was 82 percent, for CalPERS and NYC, indicating that out of the fifty-five climate proposals that the NYC pension systems supported and CalSTRS also voted on, both systems voted “for” on forty-five occasions. The lowest agreement rate was between CalSTRS and CalPERS – out of sixty-two cases where CalPERS supported a proposal and CalSTRS also voted on it, the two systems both voted “for” the proposal on twenty-eight occasion.

% of (pension system on x-axis) "For" votes in agreement with (pension system on y-axis)						
	CalPERS	CalSTRS	NYC	Florida SBA	Texas TRS	Ohio PERS
CalPERS		73.7%	78.9%	90.0%	100.0%	n/a
CalSTRS	45.2%		46.0%	60.0%	40.0%	n/a
NYC	81.8%	80.6%		100.0%	100.0%	n/a
Florida SBA	14.5%	15.0%	15.6%		0.0%	n/a
Texas TRS	7.3%	5.7%	8.3%	0.0%		n/a

Source: CAS Analysis

The Texas TRS supported two proposals that CalSTRS voted against – a resolution filed by As You Sow, calling for Dow Chemical to analyze the impact of falling virgin plastic demand on its business, and

another filed by Mercy Investment Services, asking Pilgrim's Pride to prepare a report on its plans to eliminate deforestation in its supply chain by 2025.

The Florida SBA backed four proposals that either CalSTRS or CalPERS (or, in one case, both) rejected: (i) a proposal filed by As You Sow's CEO, Andrew Behar, calling for ExxonMobil to restate its historical emissions disclosures to reflect the impact of asset sales; (ii) a proposal from the New Jersey Division of Investment asking Marathon Petroleum to disclose the undiscounted cost of its asset retirement obligations (AROs); (iii) an As You Sow proposal requesting that Raytheon publish a transition plan detailing its efforts to reduce emissions in line with a 1.5C-of-warming scenario; and (iv) a resolution filed by Proxy Impact asking Targa Resources to strengthen its efforts to mitigate natural gas flaring and venting.

IV. Climate-Related Director Campaigns

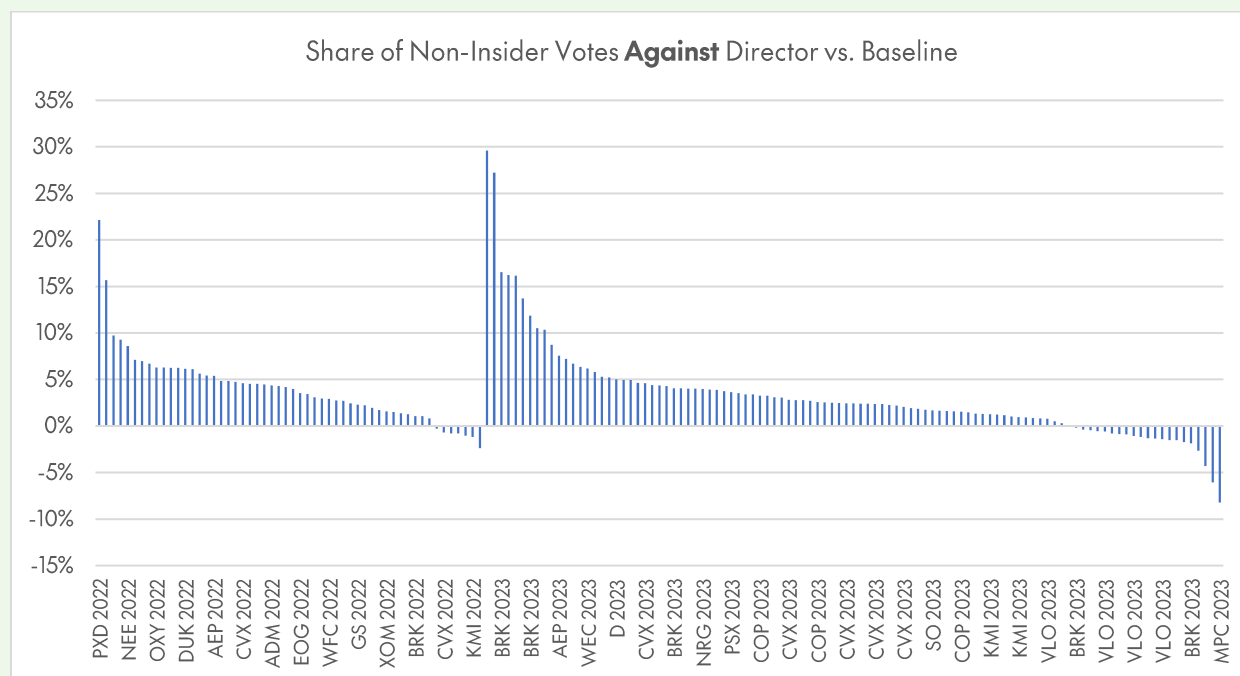
The largest asset management firms have all stated that they are willing to vote against the re-election of board directors to signal their displeasure with the way a company is managing climate-related issues. However, each firm’s desiderata are stated in slightly different terms, and detecting “signal” in votes against incumbent directors is difficult, given that asset managers also state that they are willing to vote against directors for a myriad of other reasons (including “over-boarding,” failure to achieve some minimum level of board diversity, poor attendance, director-specific conflicts of interest), while rarely voting against management in practice.

Looking across a selection of the largest public equity-focused asset managers, **BlackRock and Vanguard** explicitly mention sustainability issues as potential grounds for voting against nominees for a company’s board of directors. State Street, Capital Group, Fidelity, and J.P. Morgan Asset Management use more circumspect language in their published proxy voting guidelines, though all four firms make it clear that they will use their discretion to vote against director nominees who have “failed to implement ... oversight of [material] risks” (State Street), who do not bring sufficient “capabilities and contributions to the board” (Capital Group), who “have failed to exercise reasonable judgment” (Fidelity), or have a “demonstrated history of poor performance” (J.P. Morgan). All of these criteria are defined broadly enough to possibly, but by no means necessarily, justify a vote against management’s board nominees for poor management of climate-related risks.

Firm	Statements on Criteria for Votes Against Director Nominees
<u>BlackRock</u>	“...we may vote against the responsible committees and/or individual directors... [in situations] where the company has failed to provide shareholders with adequate disclosures to conclude that appropriate strategic consideration is given to material risk factors (including, where relevant, sustainability factors) ...”
<u>Vanguard</u>	“If a situation arises in which the board has failed to effectively identify, monitor, and ensure management of material risks and business practices ... a fund will generally vote against the relevant committee members and/or other relevant directors. These risks may include material social and environmental risks, inclusive of climate change. ”
<u>State Street</u>	“...we expect our portfolio companies to manage risks and opportunities that are material and industry-specific ... if we believe a company has failed to implement and communicate effective oversight of these risks, we may consider voting against the directors responsible.”
<u>Capital Grp.</u>	“When evaluating board nominees, we will consider company- and individual-specific situations and circumstances. These include but are not limited to ... Investment analyst view of individual’s capabilities and contributions to the board.”
<u>Fidelity</u>	“Fidelity will generally support director nominees in elections where all directors are unopposed ... except where board composition raises concerns, and/or where a director clearly appears to have failed to exercise reasonable judgment or otherwise failed to sufficiently protect the interests of shareholders.”

<p>J.P. Morgan</p>	<p>“Votes generally will be withheld from directors who ... [have a] demonstrated history of poor performance or inadequate risk oversight.”</p>
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We analyzed a roster of directors targeted by active, sustainability-focused campaigns against their re-election, as reported in the CERES engagement database. This sample covers fifty-four campaigns in 2022, and 103 in 2023. After adjusting each director’s level of support to reflect different levels of insider ownership across companies, we compared the election results to a company-specific baseline of support, based on either (i) non-targeted directors up for election at the same company, in the same year; (ii) non-targeted directors at close peer companies up for election in the same year; or (iii) non-targeted directors at the same company in a prior year, depending on data availability.



Sources: CAS Analysis, SEC EDGAR, CERES

We found that when properly adjusting for insider ownership and differences in the baseline for director support across companies and industries, the share of non-insiders withholding their votes from directors targeted by climate activists *declined* in 2023, from an average above baseline of 4.1 percent 3.3 percent.

Directors at four companies saw a greater than ten percentage point spread in the share of independent votes withheld above baseline: Kinder Morgan (a pipeline company), Berkshire Hathaway (a conglomerate anchored by its insurance subsidiaries), ConocoPhillips (an upstream oil and gas producer), and American Electric Power (a regulated utility operating mostly in Texas and Appalachia).

All four were targeted by Majority Action, which published memos highlighting a range of perceived climate deficiencies across these very different companies.

Company	Key Issues in Majority Action Memo	Relative Performance ⁴		
		2020	2021	2022
Kinder Morgan	<ul style="list-style-type: none"> No short-, medium- or long-term GHG targets, including a 2050 net zero commitment Capital allocation mis-aligned with a 1.5C-of-warming target 	-7%	-15%	-1%
Berkshire Hathaway	<ul style="list-style-type: none"> Failure to implement TCFD-aligned disclosure framework Refusal to announce a planned phase-out of coal-fired generators at energy subsidiary or for underwriting coal-related risks at insurance subsidiary No 2050 net zero ambition 	-5%	-10%	-15%
ConocoPhillips	<ul style="list-style-type: none"> Existing 2050 net zero goal does not include scope 3 emissions Level of investment in new oil and gas production incompatible with a 1.5C-of-warming ambition Failure to implement a successfully passed shareholder resolution calling for scope 3 targets 	~0%	+20%	+26%
American Electric Power	<ul style="list-style-type: none"> Coal plant closure timeline mis-aligned with a < 2.0C or 1.5C-of-warming scenario Overall emissions trajectory mis-aligned with the IEA target of net zero emissions from the power sector in advanced economies by 2035. 	-10%	-7%	+9%

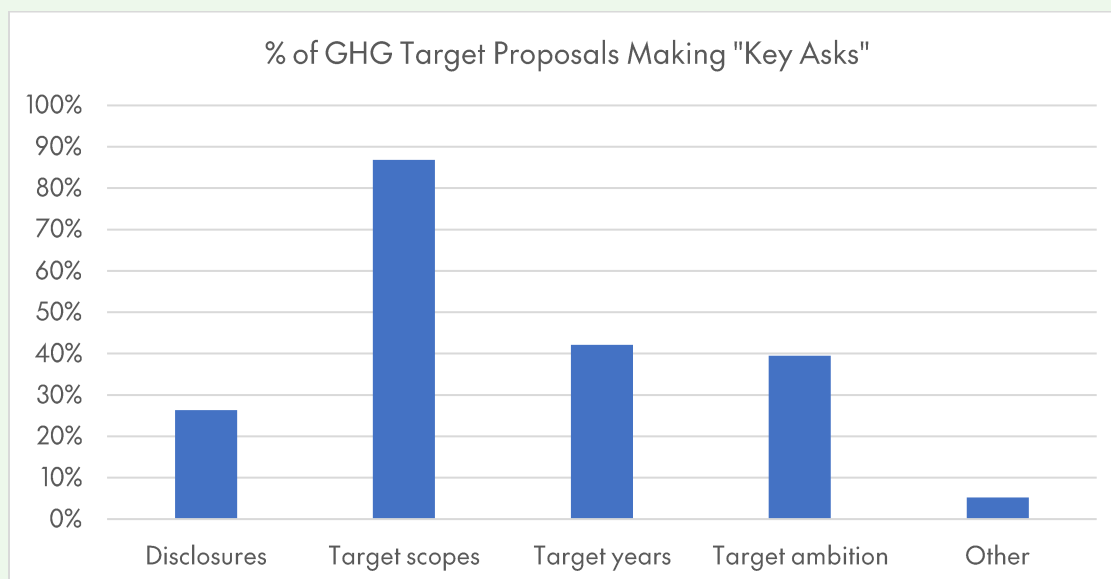
Sources: CERES, SEC EDGAR

⁴ Annual total return compared to the company’s self-selected peer index. For KMI, this was the Alerian Midstream Energy Index; for BRK, the S&P 500 Property & Casualty Insurance Index. For COP, we used the total return of the SPDR Oil & Gas Exploration & Production ETF (XOP), and for AEP, that of the Utilities Select SPDR Fund (XLU).

V. Little Signal, Lots of Noise in Voting on GHG Targets

Investor feedback on climate-focused shareholder proposals has highlighted issues with the level of prescriptiveness (increasing) and perceived “quality” (decreasing) of shareholder proposals. Assessing these claims rigorously requires digging deep into the language of shareholder proposals and evaluating the gap between what they are requesting from a particular company existing target and its disclosure regime.

Across thirty-eight unique proposals calling for companies to set GHG targets from this year’s proxy voting cycle, we identified five distinct “asks” – (i) make additional disclosures (e.g. Scope 3 emissions); (ii) extend the scope of GHG targets (e.g. to cover additional business segments or emissions scopes); (iii) add additional target years (e.g. add a short-term target in addition to a long-term net zero commitment); (iv) strengthen the ambition of existing targets (e.g. adopt a “science-based” or “1.5C-aligned” target); and (v) all other (e.g. adopt sustainable sourcing quotas for suppliers).



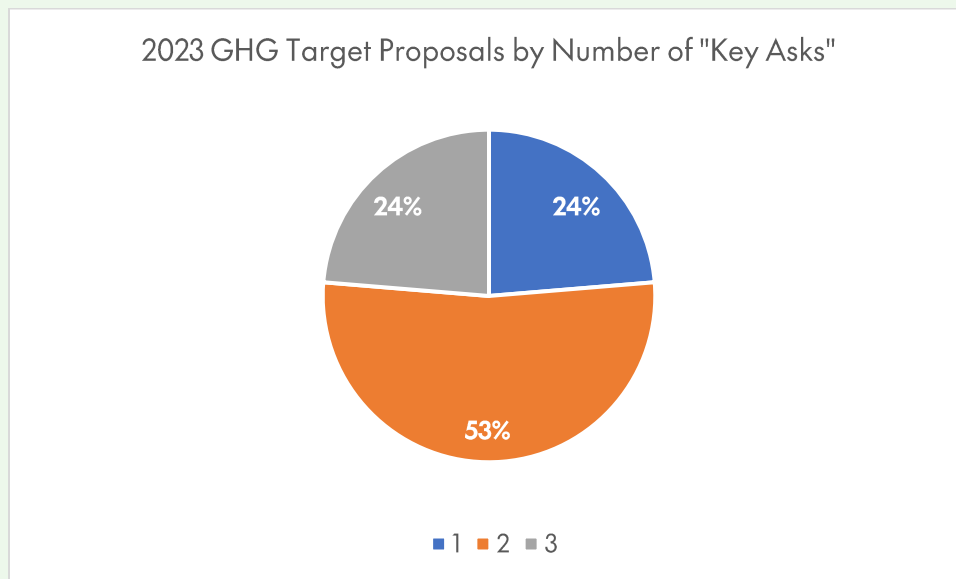
Percentages sum to greater than 100% because proposals can include multiple asks. Source: CAS Analysis

Roughly three-quarters of the proposals we drilled down on have at least two discrete “asks,” making it difficult to infer where shareholders stand on specific issues. Asset managers will occasionally vote for proposals that they do not literally support as written in order to send a directional message to boards and management teams on their progress on climate-related issues.

For example, which publishes brief descriptions of its rationale for specific voting decisions, has reversed its position on the proposals put forward by Dutch activist group Follow This twice, even though the substance of these proposals and the specific companies they target have changed little over time.

Target Company	2020	2021	2022
ExxonMobil			Against "Proposal is not in shareholders' best interests at this time."
Chevron		For No detailed commentary	Against "Proposal is not in shareholders' best interests. The company already provides sufficient disclosure and/or reporting regarding this issue."
Shell	Against "Proposal is not in shareholders' best interests."	Against "Proposal is not in shareholders' best interests. The company already provides sufficient disclosure... regarding this issue, or is already enhancing its relevant disclosure."	Against Proposal is not in shareholders' best interests.
TotalEnergies	Against "Proposal is not in shareholders' best interests."		
ConocoPhillips		For "We recognize the company's efforts to date, but believe that supporting the proposal may accelerate the company's progress on climate risk management and oversight."	Against "Proposal is not in shareholders' economic best economic interests at this time."
BP plc		For "We recognize the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight."	Against "Proposal is not in shareholders' best interests."
Equinor	Against "Proposal is not in shareholders' best interests."	For No detailed commentary	Against "Proposal is not in shareholders' best interests."
Occidental			Against "The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures."
Phillips 66		For Rationale: We believe this issue is both material and urgent.	Against "The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures."

Source: BlackRock Investment Stewardship



Source: CAS Analysis / SEC EDGAR

There is at best a weak relationship between the specific asks posed by a GHG target focused proposal and its odds of success. Setting aside the “other” category (n=2), success rates for proposals with the four discrete “asks” analyzed by CAS varied from 27-38 percent, and the average level of shareholder support for those which made it to a vote landed within an even tighter band, from 24-27 percent.

Proposal Results									
Characterized by "Proposal Ask" ⁽¹⁾									
	Withdrawn	Omitted	Voted	Total ⁽²⁾	Share of Total	Share Passed	Success Rate	Avg. Support	
(a) Add emissions disclosures (e.g. Scope 3)	3	1	6	10	26%	0.0%	30.0%	24.3%	
(b) Add target scopes (e.g. "full value chain")	9	1	23	33	87%	0.0%	27.3%	25.5%	
(c) Add target years (e.g. "short-term")	6	2	8	16	42%	0.0%	37.5%	27.3%	
(d) Strengthen target ambition (e.g. "science-based")	4	1	10	15	39%	0.0%	26.7%	24.2%	
(e) Other (e.g. sustainable sourcing quotas)	0	0	2	2	5%	0.0%	0.0%	27.4%	
Total	10	2	26	38	100%	0.0%	26.3%	25.1%	
Characterized by Existing Target Structure ⁽³⁾									
(a) Company has established some GHG target	5	1	14	20	53%	0.0%	25.0%	24.2%	
(b) ... an absolute GHG emissions target	5	1	7	13	34%	0.0%	38.5%	23.1%	
(c) ... a target encompassing Scope 3 emissions	1	1	3	5	13%	0.0%	20.0%	17.4%	
Total	10	2	26	38	100%	0.0%	26.3%	25.1%	
Characterized by Number of "Proposal Asks" ⁽¹⁾									
	Withdrawn	Omitted	Voted	Total ⁽²⁾	Share of Total	Share Passed	Success Rate	Avg. Support	
(a) 1/5 distinct asks	1	0	8	9	24%	0.0%	11.1%	21.5%	
(b) 2/5 ...	6	1	13	20	53%	0.0%	30.0%	28.6%	
(c) 3/5 ...	3	1	5	9	24%	0.0%	33.3%	22.1%	
(d) 4/5 ...	0	0	0	0	0%	--	--	--	
(e) 5/5 ...	0	0	0	0	0%	--	--	--	
Total	10	2	26	38	100%	0.0%	26.3%	25.1%	
Characterized by Number of Existing Target Features ⁽³⁾									
(a) 0/3	5	1	12	18	47%	0.0%	27.8%	26.3%	
(b) 1/3	0	0	6	6	16%	0.0%	0.0%	26.1%	
(c) 2/3	4	0	6	10	26%	0.0%	40.0%	24.9%	
(d) 3/3	1	1	2	4	11%	0.0%	25.0%	16.3%	
Total	10	2	26	38	100%	0.0%	26.3%	25.1%	

(1) (3) See appendix for details on how individual proposals were coded according to these categories.

(2) Excluding proposals with an "other" or unknown outcome due to database limitations; US-only.

Likewise, there was no clear directional trend in the level of success (across all proposals) or support (among the subset making it to a vote) for proposals based on the *number* of distinct asks, as opposed to the (non-mutually-exclusive) categories each proposal's asks fell into.

There was a stronger relationship between the structure of a targeted company's *existing* GHG targets and shareholder support for activist proposals. CAS categorized target companies' existing emissions goals based on whether they (i) had any targets in the first place; (ii) had targets expressed in terms of **absolute** emissions rather than a physical or financial intensity metric (e.g. emissions produced per dollar of gross profit); and (iii) whether their targets included Scope 3 emissions. Proposals targeting companies lacking all three of these characteristics earned 26 percent support when they made it to a vote, while proposals targeting companies with all of them earned only 16 percent support.

The lack of a clear relation between either a company's existing GHG targets or the specific features of an activist proposal aiming to encourage more aggressive climate action and the proposal's odds of success should give boards, activists, and stewardship professionals pause. 14a-8 proposals are generally non-binding, working best as an informational signal to companies, telling them how their investor base wants them to approach issues of critical importance. Clearer disclosures – the real-time or

frequently-updated voting records published by BlackRock and some leading pension funds are a strong start - and narrow proposals targeted to industry-specific issues would be a step in the right direction.