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For Immediate Release

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Large Investor Support for Corporate Political Disclosure Jumps in Election Year

State Street Support Contrasts with BlackRock, Vanguard Opposition

2020 PROXY SEASON ANALYSIS

DECEMBER 23, 2020

WASHINGTON -- The largest investors' support for the Center for Political Accountability's corporate political disclosure resolution jumped to 75.6 percent in 2020, up from 67.3 percent in 2019 according to analysis based on shareholder voting data from Proxy Insight.¹ This follows a comparatively modest 1.1 percentage point increase in support from 2018 to 2019.

State Street (45.5 percent support in both 2019 and 2020) stands out as the only of the Big Three that does not appear to vote against the CPA model-resolution as a matter of policy, if unwritten.²

Fidelity Management & Research Co. (FMR), which had not supported a single CPA model-resolution in at least the last three proxy seasons, supported 15.8 percent of the proposals it voted. Other investors managing at least \$1 billion supported the proposal with increased frequency in 2020, including JPMorgan Investment Management (45.5 percentage point

¹ Proxy Insight, an Insightia company.

² Although it appears BlackRock may have supported the CPA model-resolution at one out of three off-cycle annual general meetings where the proposal went to a vote, this report only covers 2020 proxy season votes at AGMs through June 30, 2020.

increase), Wellington Management Company (49.8 percentage point increase), and T. Rowe Price Associates, Inc. (39.8 percentage point increase).

Of the 69 large investors, 30 supported 100 percent of the political spending resolutions while eight supported none. Forty of the 69 investors increased their support from 2019 to 2020, while eight decreased support. Since 2018, 31 of the funds increased their support for the political disclosure resolution while just nine decreased their support.

“The surge in support for disclosure reflects large investors’ recognition of the risks of political spending in today’s hyper-polarized environment, particularly in an election year,” said CPA President Bruce Freed. “Investors understand this should be the norm for companies.”

“Despite nearly all other large investors moving towards increasing support for election related transparency, BlackRock and Vanguard have stayed on the sidelines when their enormous voting power could curb risk for shareholders while strengthening democracy,” Freed added.

Eight investors—MetLife Advisers, LLC, Northern Trust Investments, Federated Investment Management Co., Jennison Associates LLC, Wellington Management Company JPMorgan Investment Management, Inc., T. Rowe Price Associates, Inc., MFS Investment Management, Inc.—increased their support by over 20 percentage points. MetLife support increased from 0 percent in 2019 to 100 percent in 2020, while Northern Trust and Federated Investment Management both increased from 0 percent in 2019 to 95 plus percent support in 2020.

Average shareholder support for CPA’s model resolution continued to rise in 2020, at 41.9 percent, up from 36.4 percent last year. Contrary to this upward trend, Manulife Asset Management, Delaware Management Company (Macquarie) Charles Schwab Investment Management, Inc., and BNY Mellon, among others decreased their support for the resolution.

Proxy Insight examined 69 investors’ votes across the 2018-2020 proxy seasons. The 69 investors identified were those in the Proxy Insight database that had cast votes on at least five CPA model-resolutions in each of the last three proxy seasons and were among the 100 largest investors by global assets under management. Their total global assets under management amount to over \$53 trillion.

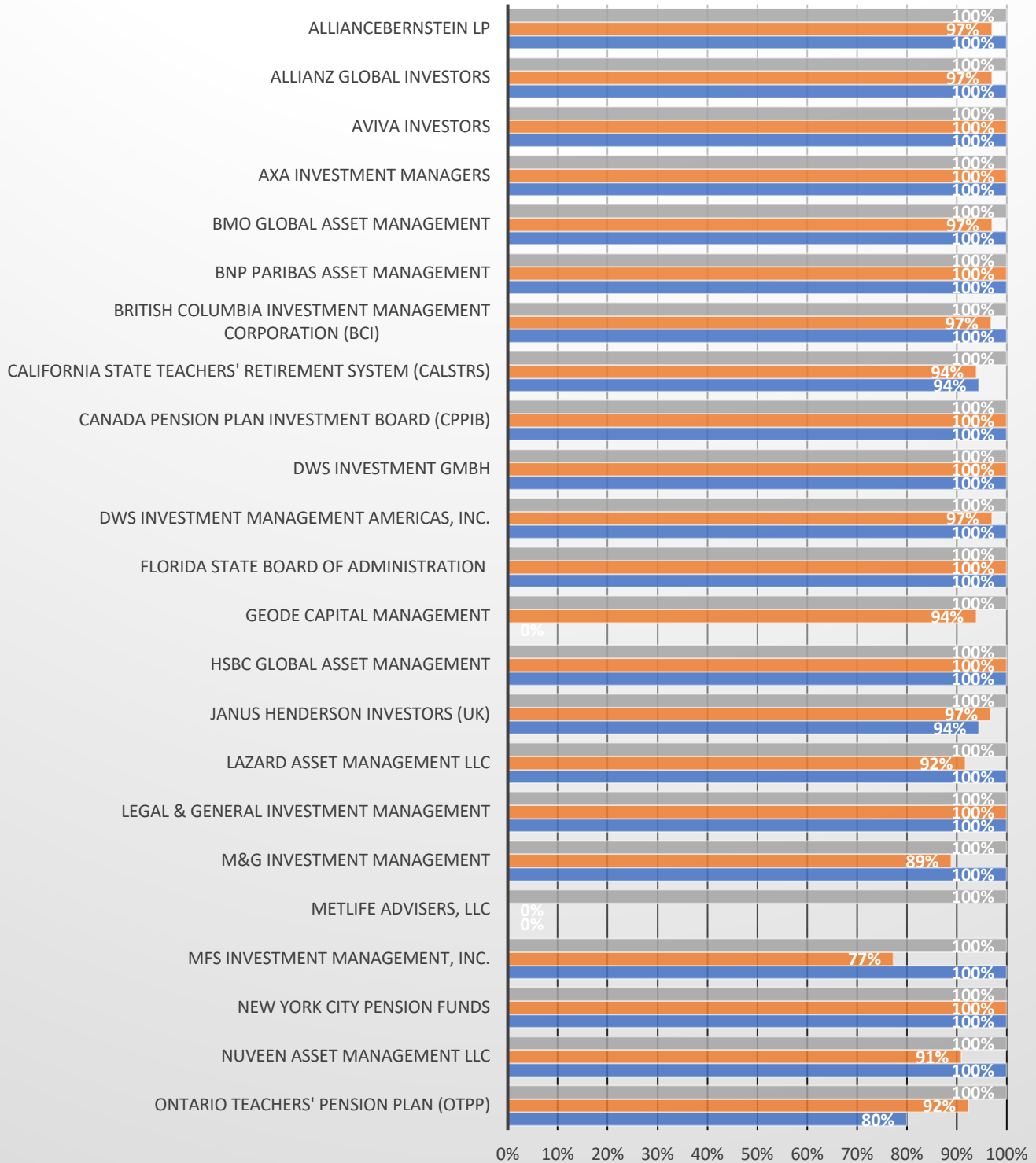
Other notable findings include the following:

- The 40 investors increasing support this year averaged an 18.2 percentage point increase while the eight investors that decreased support averaged a 19.7 percentage point decrease.
- In 2019, only 14 of the 69 investors supported 100 percent of the resolutions voted upon; in 2020, this figure climbed to 30 investors.
- Only eight investors failed to support a single political spending disclosure resolution in 2020 compared with 13 groups in 2019 and 12 in 2018.

Largest Investor Support for CPA Model Resolution 2018-2020

(most to least supportive in 2020)

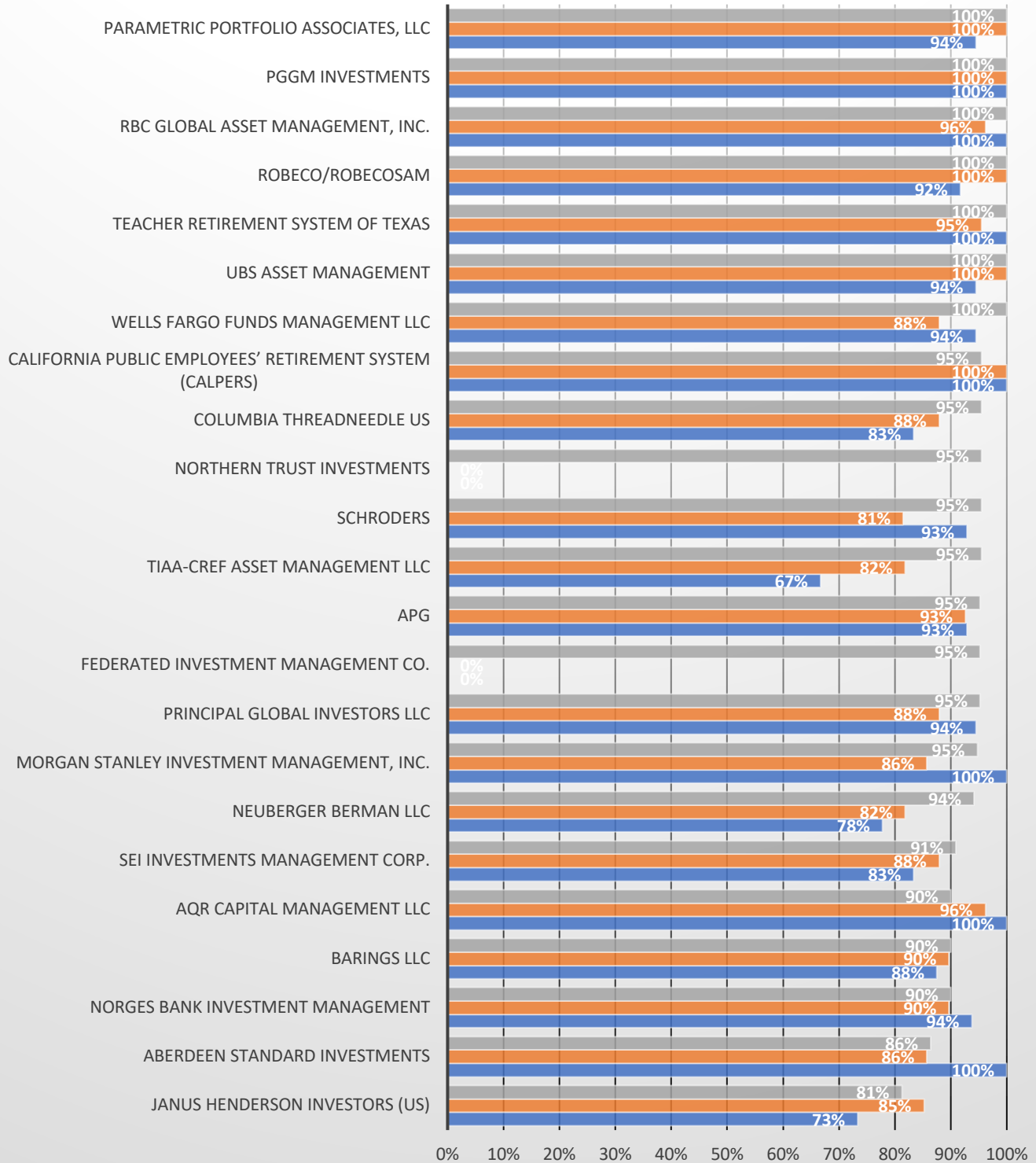
■ 2020 ■ 2019 ■ 2018



Largest Investor Support for CPA Model Resolution 2018-2020

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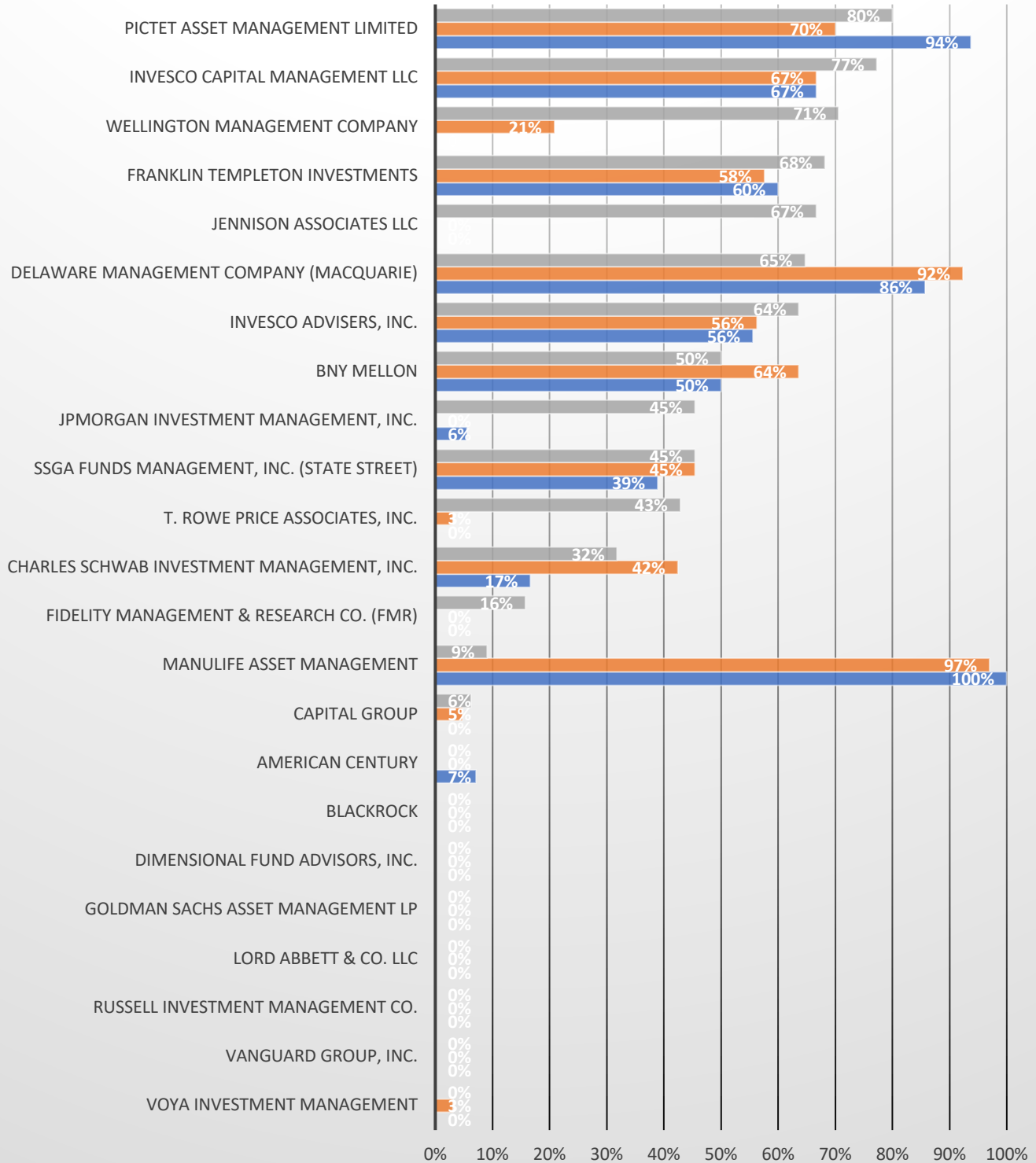
■ 2020 ■ 2019 ■ 2018



Largest Investor Support for CPA Model Resolution 2018-2020

(most to least supportive in 2020)

■ 2020 ■ 2019 ■ 2018



Largest Investor Change in Support 2019-2020 (percentage point change)



Large Investor Change in Support 2019-2020 (percentage point change)

Investor	Increase/Decrease
Jennison Associates LLC	66.7%
JPMorgan Investment Management, Inc.	45.5%
Lazard Asset Management LLC	8.3%
Legal & General Investment Management	0.0%
Lord Abbett & Co. LLC	0.0%
M&G Investment Management	11.1%
Manulife Asset Management	-87.9%
MetLife Advisers, LLC	100.0%
MFS Investment Management, Inc.	22.7%
Morgan Stanley Investment Management, Inc.	9.0%
Neuberger Berman LLC	12.3%
New York City Pension Funds	0.0%
Norges Bank Investment Management	0.3%
Northern Trust Investments	95.5%
Nuveen Asset Management LLC	9.1%
Ontario Teachers' Pension Plan (OTPP)	7.7%
Parametric Portfolio Associates, LLC	0.0%
PGGM Investments	0.0%
Pictet Asset Management Limited	10.0%
Principal Global Investors LLC	7.4%
RBC Global Asset Management, Inc.	3.8%
Robeco/RobecoSAM	0.0%
Russell Investment Management Co.	0.0%
Schroders	14.0%
SEI Investments Management Corp.	3.0%
SSgA Funds Management, Inc. (State Street)	0.0%
T. Rowe Price Associates, Inc.	39.8%
Teacher Retirement System of Texas	4.5%
TIAA-CREF Asset Management LLC	13.6%
UBS Asset Management	0.0%
Vanguard Group, Inc.	0.0%
Voya Investment Management	-3.0%
Wellington Management Company	49.8%
Wells Fargo Funds Management LLC	12.1%

This year's survey considered votes cast by the 69 investors in Proxy Insight's 100 largest investors that voted at least five times on the CPA Model-Resolution in each of the 2018, 2019, and 2020 Proxy Seasons. There were 22 shareholder-sponsored CPA model-resolutions up for a vote during the during the 2020 proxy season, 33 in the 2019 season, and 18 in the 2018 season.

The Appendix lists all the shareholder proposals based on the CPA model resolution that came to a vote in the 2020 proxy season. A typical CPA model resolution asks companies to report on and semiannually update the following:

1. *Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.*
2. *Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:*
 - a. *The identity of the recipient as well as the amount paid to each; and*
 - b. *The title(s) of the person(s) in the Company responsible for decision-making*

Mutual funds looking to update their proxy voting policies with more specific guidance on disclosure and oversight of corporate election spending may draw on Appendix E of The Conference Board's [Handbook on Corporate Political Activity](#), in which sample proxy voting guidelines are provided.

In addition, CPA's one-page summary on the [key elements of meaningful corporate political disclosure](#) provides concise guidance to proxy voters as they try to determine where the gaps may exist in a company's policies and disclosure.

APPENDIX

Shareholder-Sponsored Resolutions Based on the CPA Model Resolution Voted Upon in 2020

Company	AGM Date	Shareholder Proponent	Support
Activision Blizzard Inc.	June 11, 2020	Jim McRitchie	58.6%
Alaska Air Group	May 7, 2020	John Chevedden	42.1%
American Airlines Group Inc.	June 10, 2020	John Chevedden	34.9%
American Tower Corp.	May 18, 2020	Jim McRitchie	36.9%
Centene Corp.	April 28, 2020	Friends Fiduciary	51.4%
Chemed	May 18, 2020	John Chevedden	48.2%
CMS Energy Corp.	May 1, 2020	Office of the New York State Comptroller	34.9%
DaVita HealthCare Partners Inc.	June 11, 2020	Friends Fiduciary	32.5%
Delta Air Lines Inc.	June 18, 2020	Friends Fiduciary	46.0%
DTE Energy Co.	May 7, 2020	Mercy Investment Services	36.5%
Duke Energy Corp.	May 7, 2020	Office of the New York State Comptroller	38.9%
Expedia Inc.	June 10, 2020	Friends Fiduciary	36.0%
Exxon Mobil Corp.	May 27, 2020	Unitarian Universalist Association	30.9%
Fiserv Inc.	May 14, 2020	John Chevedden	44.5%
Illumina Inc.	May 27, 2020	Jim McRitchie	50.0%
J.B. Hunt Transport Services Inc.	April 23, 2020	International Brotherhood of Teamsters	53.2%
Loews Corp.	May 12, 2020	Clean Yield Asset Management	32.3%
Motorola Solutions Inc.	May 11, 2020	Bruce Herbert	47.9%
Netflix Inc.	June 4, 2020	Jim McRitchie	41.9%
NextEra Energy Inc.	May 21, 2020	Bruce Herbert	38.9%
Royal Caribbean Cruises Ltd.	May 28, 2020	Office of the New York State Comptroller	31.6%
Western Union Co.	May 14, 2020	John Chevedden	53.3%