

# Stewardship Activity Report

Q4 2022

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This report reviews State Street Global Advisors' stewardship activities, including related efforts in the Asia Pacific region with a focus on the Australian proxy voting season, case studies of our social stewardship activities, and an overview of executive remuneration and succession planning. It also outlines thematic stewardship priorities for 2023.

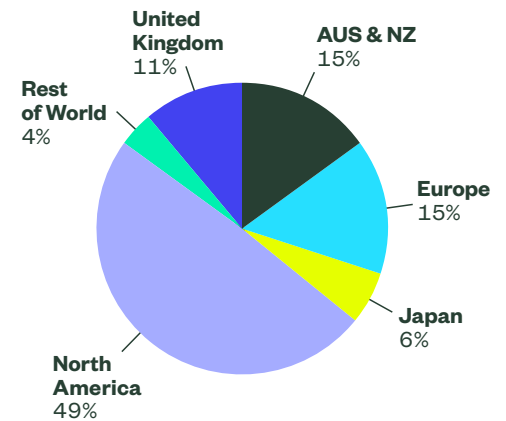
## Q4 2022 Voting and Engagement Breakdown

Number of Meetings Voted	<b>3,433</b>	
Total Proposals Voted	<b>20,771</b>	
Management Proposals	<b>20,127</b>	
Votes For	15,966	79.3%
Votes Against	4,161	20.7%

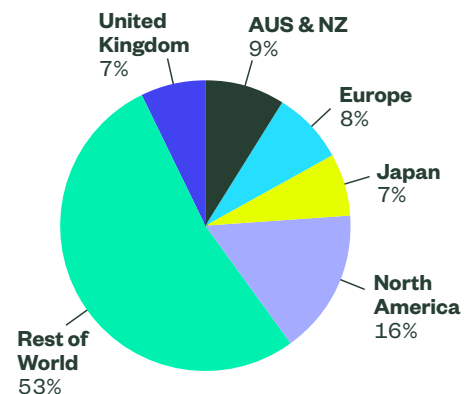
Shareholder Proposals	<b>644</b>	
Votes with Management	602	93.5%
Votes Against Management	42	6.5%

		E	S	G
Q4 2022 Engagements	221	86	67	146
FY 2022 Engagements	956	331	386	629

### Q4 2022 Engagement by Region



### Q4 2022 Voting by Region



Source: State Street Global Advisors.

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# Asia Pacific Update

## Overview of the Australian Proxy Season

In 2022, State Street Global Advisors conducted 60 engagements with Australian companies and voted at 480 shareholder meetings. An overview of our 2022 stewardship activity is outlined below:

### 2022 Australian Voting & Engagement Breakdown

<b>Number of Meetings Voted</b>	<b>421</b>	<b>Engagement Meetings</b>	<b>60</b>
Management Proposals	2,416	Shareholder Proposals	43
For (%)	73	With Management (%)	95
Against (%)	27	Against Management (%)	5

Source: State Street Global Advisors.

The Australian proxy season occurs at the end of the calendar year with the majority of meetings taking place in the last three months. Notably in 2022, the Australian market saw the reopening of its borders post extended lockdowns associated with the COVID-19 pandemic, multiple rate hikes in response to rising inflation, and soaring energy prices impact various sectors of the economy.

In terms of proxy season trends, we witnessed a number of environmental proposals introduced by both management and shareholders, increased shareholder activism in the market, and a high-profile proxy contest at one of Australia's largest utilities companies. We provide more in-depth information on these topics below.

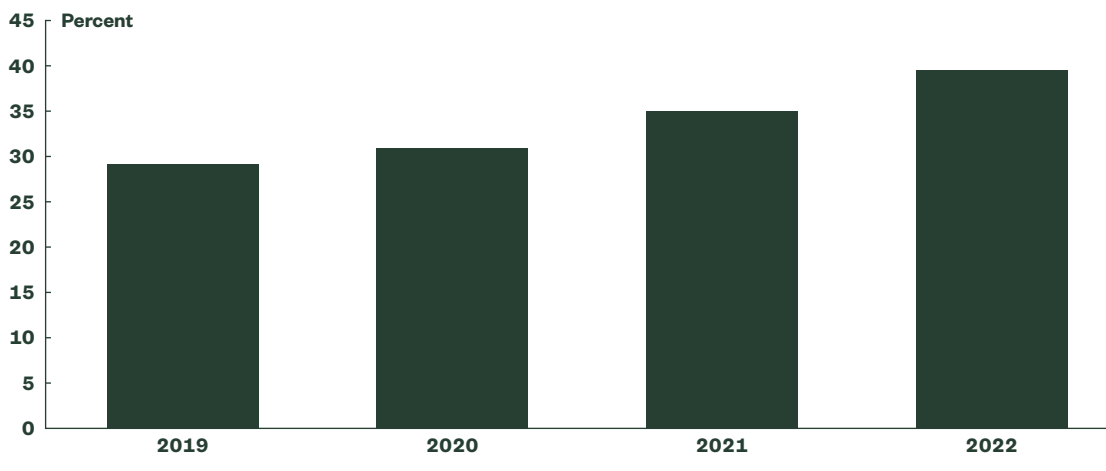
### Executive Compensation & Corporate Governance

As with previous seasons, we noted a greater focus on executive compensation and board oversight of remuneration outcomes that were linked to long-term performance and aligned with shareholder interests. Changes in economic conditions, monetary policy, geopolitical factors, and energy pricing shocks impacted company performance across different sectors in various ways. As such, we look to boards to disclose the determination of remuneration outcomes especially when results are impacted by the macro environment.

While disclosure of both metrics and performance outcomes against targets in remuneration decisions have improved, we continue to encourage disclosure regarding the alignment of outcomes with shareholder interest. To strengthen the accountability and transparency of the remuneration report to shareholders, these targets should be clearly defined at the beginning of the performance period and clarity is provided on what constitutes stretched outcomes. We see risks in shareholder interest alignment, for remuneration reports with outcomes that appears retrospectively applied or discretionary in nature. Furthermore, we observed large retention awards begin to be incorporated into remuneration structures, benchmarking to larger US companies without sufficient justification, and the use of board discretion.

To address these concerns, we strengthened engagements with issuers to understand the drivers of remuneration outcomes and overall quantum of CEO pay. We considered these issues closely when determining our final vote decisions on remuneration-related matters.

**Figure 4**  
**Votes Against**  
**Management's**  
**Recommendation**  
**on Australian**  
**Remuneration Proposals**



Source: State Street Global Advisors.

The percentage of votes cast against<sup>1</sup> compensation resolutions in the Australian market has increased since 2019. In 2022, we voted against 35% of compensation resolutions compared to 31% in 2021. This is mainly attributed to concerns around misaligned pay and performance, use of special grants, poor remuneration structures, and inadequate disclosures.

Australia has a two-strike rule. If companies receive a 'no' vote of 25% on executive remuneration package two years in a row, shareholders have the option to spill the board. This year, around 24 companies recorded a 'strike' in the market after peaking at 28<sup>2</sup> in 2021. We continued to monitor this trend and in engaging with companies, sought to understand whether companies with shareholder dissent on remuneration considered or incorporated feedback from investors. With regards to market capitalization, our adverse votes on remuneration-related resolutions for ASX100 companies decreased compared to last year, with some companies incorporating investor feedback for further alignment of remuneration structures with shareholder interests. In addition, we continue to monitor companies with multiple past strikes to further understand their long-term remuneration strategy, consistency in pay, and performance alignment, but have so far managed to avoid voting, 'no' in consecutive years.

### **Climate-Related Voting and Engagement**

The Australian government recently passed the Climate Act to implement Australia's net-zero commitments which includes a greenhouse gas emissions (GHG) reductions target of 43% below 2005 levels by 2030 and an ambition to reach net zero by 2050.<sup>3</sup> As noted [previously](#), climate change is a complex issue, and we believe an orderly transition to net zero requires tremendous efforts and decisive actions from both the private and public sectors, including sound regulations and fiscal policies, technology innovation, and capital reallocation. With recent regulatory developments, we will continue to engage on board oversight of material risks and opportunities. This includes how companies are positioned in light of heightened regulatory and reputational climate-related risks, including impact on strategic decision-making, such as that related to investment and capital allocation, as well as potential impacts to employees, the community, and other stakeholders.

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## Climate-Related Proposals

We voted on 28 climate-related proposals and conducted 30 climate-related engagements in Australia during 2022. This compares with 27 climate-related proposals and 22 climate-focused engagements during 2021.

A number of these resolutions relate to “Say on Climate” votes put forth by companies. While we are generally supportive of such proposals, we have expressed our reservations with the potential unintended consequences of an annual advisory climate vote. Where these proposals were put to a vote, we assessed each proposal in line with our [Disclosure Expectations for Effective Climate Transition Plans](#). We generally supported transition plans that aligned with our guidance, industry trends, and market expectations, but abstained where we noted an opportunity for companies to strengthen their decarbonization strategy and related disclosure.

As observed globally, we witnessed an increase in shareholder resolutions around fossil fuel exposure and financing filed with Australian financial institutions. Our approach to assessing these proposals can be found in our previous [vote bulletin](#). Our support for climate-related proposals in the Australian market was around 20% in 2022, which is similar to the prior year. We continue to maintain a consistent approach to voting climate-related proposals, as demonstrated by our voting record.

## Director Elections

In 2022 we noted increased shareholder activism in the Australian market. One of the most high-profile contested elections was at **AGL Energy Limited** in the fourth quarter. We have had a strong cadence of dialogue with AGL Energy’s board over the past several years; these engagements focused on understanding the company’s strategy including how it considers managing risks and opportunities related to climate change, as well as the alignment of the company’s climate reporting with our expectations for climate transition plan disclosures. The following details our approach and final voting decision, which is also available in [our vote bulletin](#).

## Shareholder Access to Independent Directors in Japan

As shareholder engagement culture continues to evolve and as investors seek further oversight of material risks by boards of directors, the role of an independent director has never been more important. [We have long believed](#) that a well-constituted board of directors with a balance of skill, expertise, and independence provides the foundation for a well-governed company that is positioned to generate long-term value.

In principle, we believe independent directors are crucial to robust corporate governance, and help management establish sound corporate governance policies and practices. A sufficiently independent board will most effectively monitor management and perform oversight functions that are necessary to protect shareholder interests.

The Japanese market continues to show high responsiveness to addressing investor calls for greater board independence, with the number of boards among TSE prime-listed companies that are at least one-third independent in Japan rising 15% year-over-year in 2022 and now totaling 94% of boards.<sup>4</sup>

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As Japanese boards become more independent, we expect an increased opportunity to engage with these independent directors in order to understand the impact of their outside voice on board discussions and oversight.

The practice of investor access to independent directors has not been adopted in Japan as widely as it has in other developed markets. With this in mind, we are increasingly requesting the presence of independent board members during engagements with Japanese companies. As a result, our engagements with independent directors in Japan increased by 200% year-over-year in 2022.

We expect independent directors to not only increase their participation in engagements, but also to:

- be well-versed in the company's long-term strategy,
- be conversant in material & company specific ESG issues,
- take leadership roles on key board committees (where applicable and when appropriate), and
- provide perspective on how the board, including outside directors, keeps management focused on the companies' long-term goals.

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# Social Stewardship in Practice

## Civil Rights Audits

The 2022 proxy season saw a marked increase in the number of shareholder proposals related to civil rights audits. An overview of our voting record on these topics is available [here](#). Several of the companies where we supported this proposal have committed to undertake civil rights audits, and a few companies (including **Altria Group, Inc.**, **Johnson & Johnson** and **McDonald's Corporation**) have proactively reached out to our Asset Stewardship team to seek our feedback on the plans for their audits. We appreciate this responsiveness and engagement from companies, as well as the commitment to effective oversight of civil rights-related risks and opportunities.

## Diversity ESG Reporting

In engagements leading up to **Moderna, Inc.'s** April 2022 Annual General Meeting, our Asset Stewardship team encouraged the company to enhance its ESG reporting, specifically, to publish its EEO-1 report, as well as SASB-aligned disclosures. We took voting action against relevant directors given the lack of disclosures at the time. At our November 2022 engagement, we learned that Moderna had published an EEO-1 report, and also published its first ESG report in line with SASB. We appreciate the enhanced disclosure and look forward to following the company's ESG journey.

## Human Rights

At the March 2022 **Walt Disney Company** Annual General Meeting, our Asset Stewardship team abstained on a proposal calling for a human rights risk assessment. While we were not supportive of the proposal's specific ask, we did identify opportunities for Disney to enhance its human rights-related disclosures. Existing disclosures focused on human rights risks in the supply chain for Disney-branded products, and we encouraged the company to offer insights into risks that exist outside that narrow part of the company's operations. The company did improve its human rights-related disclosures accordingly, including the publication of an enhanced human rights policy.

## Launch of the Just Transition Engagement Campaign: Managing the Social Risks of the Energy Transition

Just transition is an emerging area of focus for our Asset Stewardship team. The journey to a net zero emissions world is complex and we believe will require tremendous efforts from both the private and public sectors to achieve an effective transition that is orderly and just. With this understanding, we included just transition as one of several key factors in our [Disclosure Expectations for Effective Climate Transition Plans](#).

In Q3 and Q4 2022, we conducted a series of engagements with companies in high carbon emitting sectors including Energy, Materials, and Utilities to better understand current trends and disclosure practices on the emerging topic of just transition. Our dialogues centered on how companies are identifying and managing risks and opportunities in the low-carbon transition associated with workforce transformation, customer affordability, stakeholder engagement, and supply chain management, among others. We intend to share the insights and takeaways of this campaign in future publications. Some early takeaways include:

- **Strategy** Companies leading on just transition have a clear understanding of its importance as a centerpiece within their climate transition strategy. This is demonstrated by an understanding of which stakeholders will be most impacted by their own low-carbon transition and how a just transition relates to their overall business strategy. It is clear, however, that there is no one-size-fits-all approach to a just transition. To address this challenge, companies seek to integrate different perspectives from across the business into just transition planning.
- **Board Oversight** Successful oversight of a just transition and its associated risks requires thoughtful engagement with the board and management. Multiple leading companies with which we engaged noted that as part of their overall sustainability objectives, they currently report on just transition-related priorities to the relevant board committees that oversee related climate and social-related risks. As just transition continues to gain market clarity and as companies define relevant goals and metrics for their own just transitions, we expect boards to be more engaged on this topic.
- **Risk Management** Effective risk management for a just transition is well-served by clear stakeholder identification and engagement processes. The energy transition will have varying impacts across a range of stakeholders, from the workforce and consumers, to communities (including Indigenous Peoples) and supply chains. Leading companies have processes to clearly identify which stakeholder groups their transition plans will have the greatest impacts on, and have developed ongoing stakeholder engagement processes to ensure stakeholder perspectives are integrated into transition planning and decision-making. Companies without clear stakeholder engagement plans and ongoing communication within their climate transition planning may face greater exposure to reputational, operational, or financial risk due to resistance from certain groups of stakeholders who view the implementation of the plan does not serve their best interests.

We will continue to integrate just transition considerations into engagements focused on climate transition plans in key sectors throughout 2023.

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# Observations from Remuneration Consultations in the United Kingdom

In the United Kingdom ('UK'), executive remuneration policies must be submitted to a shareholder vote every three years. Companies often take this opportunity to make changes to their executive remuneration policies and tend to consult shareholders on proposed amendments. In Q4 2022, State Street Global Advisors' Asset Stewardship team conducted over 30 such consultations with chairs of Remuneration Committees of UK investee companies whose executive remuneration policies are scheduled for investor vote during the 2023 proxy season.

Key changes proposed by remuneration committees include:

## **Replacement of performance-based long-term incentive plan (LTIP) awards with restricted share plans**

Rationale:

- The business environment in which companies operate has substantially changed, impacted by COVID-19, inflation and supply chain issues, and further exacerbated by the conflict in Ukraine. Looking forward, the geopolitical uncertainties will continue to create substantially greater volatility for businesses.
- With the level of uncertainty impacting companies, they no longer feel confident that the traditional LTIP model, with fixed three-year targets, can consistently reflect performance.

Our Views:

- Performance metrics in LTIPs give investors insight into the key factors that companies are focusing on to drive long-term strategy. In the absence of such performance metrics companies must 1) provide clear disclosure regarding what quantitative and qualitative guide posts they are monitoring to ensure the successful implementation of strategy and 2) ensure there is clear alignment between executive incentives and the long-term shareholder experience, including restricted share units that vest beyond the typical three-year performance period.
- When replacing a performance-based LTIP with a restricted share plan, we expect UK issuers to apply an appropriate discount to standard award levels, in line with best market practice and taking into consideration individual company factors. The discount is meant to alleviate the more certain outcomes under a restricted share plan.



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## **Quantum increases, achieved via either increases in total annual bonus incentive and/or LTIP opportunities or significant increases in base salaries**

### Rationale:

- The talent environment has become highly competitive and against this backdrop, remuneration committees are working to create competitive remuneration and benefits packages for their workforce. Some companies also cited their growth, along with the exercise of restraint, as key reasons why their executive remuneration offering became uncompetitive.
- Some companies derive a significant portion of their revenues from the US and consider that market within their reward packages, leading to some conclusions that the compensation of certain US-based executives fell short of appropriate levels of incentive pay.
- Increase in complexity and globalization of the business.

### Our Views:

- We acknowledge that the market for executive talent is competitive. When benchmarking pay against peers, companies must be reasonable and not include overly ambitious peers. Further, there must continue to be clear alignment between compensation and a company's current strategy.

## **Increased focus on ESG in both annual bonuses and LTIPs**

### Rationale:

- Companies are increasingly adding ESG performance metrics which incentivize executives to follow through on companies' ESG efforts and ambitions.

### Our Views:

- We are agnostic to companies choosing to include ESG performance metrics in executive compensation structure. However, if used, ESG metrics need to be tied to strategy, quantifiable, sufficiently challenging and incentivize behavior that is clearly articulated in companies' disclosure.

## **Necessity for Remuneration Committees to apply discretion to allow vesting of awards**

### Rationale:

- Recognizing that the 2018–21 and 2019–22 LTIP tranches would be impacted, some companies have determined that leveraging the board's judgement on remuneration was necessary to align business and financial outcomes with the interests of all stakeholders.
- Companies often stated that having LTIPs predestined not to vest neither aligns with the principles of performance-based approach, nor supports the recruitment or motivation and retention of senior leaders who participate in share-based LTIPs in a very competitive talent market.

- Given the anticipated ongoing uncertainty and volatility in the external market, some Remuneration Committees intend to review and set performance ranges based on conditions at the time of award.

Our Views:

- Where boards elect to use discretion in making award determinations, we will need detailed disclosure and narrative describing the board's decision-making process in order to gain comfort in pay outcomes.

### **Increases in executive directors' shareholding guidelines**

Rationale:

- In the event of quantum increases, companies are often proposing material increases in executive directors' shareholding guidelines, in order to further increase alignment with shareholders' interests.

Our Views:

- We view thoughtful shareholding guidelines as a best practice, though it does not entitle executives to excessive quantum — pay and performance must continue be linked.

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# Views on Succession Planning

The average CEO tenure at US companies fell once again in 2022, continuing a trend we have observed over the past several years. CEO tenure averaged 9.9 years in 2022, down from 12.7 years in 2017.<sup>5</sup> We expect company boards to explain their general approach to CEO succession planning. With the backdrop of increased executive turnover, boards should provide effective oversight of the succession planning process as companies navigate a competitive executive leadership market.

As a long-term investor, we view well-formed and proactive succession planning as essential to the execution of a company's long-term strategy. As such, engagements on succession planning continue to be a core topic of the Asset Stewardship team. We believe periods without a permanent CEO or incomplete management team present companies with challenges in setting clear strategy, making capital allocation decisions aligned with a long-term vision, and communicating effectively to stakeholders. We also view the transition process as an essential element of CEO succession planning. For example, through engagement with companies we seek to understand the role of outgoing management in the transition plan. Other questions we may ask during engagements with companies may include:

- What areas of expertise and qualities has the board prioritized in its succession plan?
- How has the board considered internal vs. external candidates for the position?
- If the former executives occupy board positions, how will the board ensure the incoming management team has the space and confidence to execute their own strategy?
- How does the board demonstrate their support and confidence in new leadership?
- What milestones has the board set for the transition process?

While we understand the need to retain individuals responsible for past success, we have observed situations where those where the exit of long-tenured executives has eroded investor confidence in the company's ability to execute long-term strategy. While so called 'Boomerang CEOs' may present the best leadership opportunities in certain circumstances, such reappointments do not always provide the best outcomes for shareholders over the long term. Particularly, we view the reappointment of former management as an indication of a failed succession plan. A clear and transparent succession plan process signals to investors that the board has confidence in the continued execution of long-term strategy and sustainable value creation the hands of different individuals.

## 2023 Thematic Stewardship Priorities

Every year, State Street Global Advisors identifies strategic priorities that inform the focus of our stewardship activities and guide resource allocation. The four themes for 2023 include: Effective Board Oversight; Climate Risk Management; Human Capital Management; and Diversity, Equity, and Inclusion. We believe each of these four topics presents short- and long-term risks and opportunities to companies across our portfolio. Over the next year we aim to promote alignment with our expectations for effective disclosure and governance practices in each of these thematic areas.

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## Return of In-Person Engagements

As the global COVID-19 pandemic recedes, State Street Global Advisors' Asset Stewardship team has returned to conducting some engagements in person. We have had productive conversations with **The Clorox Company, Moderna, Inc., Volkswagen AG** and **Wynn Resorts Limited** at our Boston, London and New York offices. We have found that virtual engagements can create opportunities to connect with more directors and other Subject Matter Experts whose schedules and locations might otherwise make it difficult to connect in person. As such, we will continue to pursue a blend of virtual and in-person engagements.

# Engagement Highlights

<b>Company</b>	Cardinal Health, Inc.
<b>Geography and Industry</b>	United States SICS Sector: Health Care SICS Industry: Health Care Distributors
<b>Key Topics</b>	Director Time Commitments
<b>Asset Class</b>	Equity
<b>Key Resolutions</b>	Director Elections
<b>Background</b>	Under our global policy voting guidelines on director time commitments, one of Cardinal Health's directors was classified as "overcommitted" prior to the company's November 2022 AGM.
<b>Activity</b>	<p>In Q1 2022, we updated our voting policy and guidelines on directors' commitments to ensure Nominating Committees evaluate directors' time commitments, regularly assess director effectiveness, and provide public disclosure on policies and efforts to investors.</p> <p>As part of this change, we may consider waiving our policy and vote in support of a director if the company does the following:</p> <ul style="list-style-type: none"> <li>• Disclose its director commitment policy in a publicly available manner (e.g., corporate governance guidelines, proxy statement, company website)</li> </ul> <p>This policy or associated disclosure must include:</p> <ul style="list-style-type: none"> <li>• A numerical limit on public company board seats on which a director can serve — This limit cannot exceed our policy by more than one seat</li> <li>• Consideration of public company board leadership positions (e.g., Committee Chair)</li> <li>• Affirmation that all directors are currently compliant with the company policy</li> <li>• Description of an annual policy review process undertaken by the Nominating Committee to evaluate outside director time commitments</li> </ul> <p>Through our recurring engagement with the company, we notified it of this updated policy and offered this disclosure-driven waiver prior to the November 2022 AGM.</p>
<b>Outcome</b>	Cardinal Health updated its corporate governance guidelines and enhanced its disclosure in its proxy statement to provide shareholders with more transparency on the role played by the Nominating Committee in overseeing director time commitments. This disclosure was fully compliant with the four criteria outlined in our policy expectations. As a result, we waived our withhold vote, supporting the individual director at the AGM and signaling our appreciation for the enhanced disclosure the company has delivered on this topic.

<b>Company</b>	China International Capital Corporation Limited (CICC)
<b>Geography and Industry</b>	Hong Kong SICS Sector: Financials SICS Industry: Investment Banking and Brokerage
<b>Key Topics</b>	Capital Issuance
<b>Asset Class</b>	Equity
<b>Key Resolutions</b>	Rights Issuance Proposal
<b>Background</b>	<p>The company held an extraordinary general meeting ("EGM") in the fourth quarter of 2022 seeking shareholder approval for rights issuance to provide the company with additional capital. One of the agenda items pertains to approving a whitewash waiver in relation to waiving the obligation of a significant stakeholder to make a mandatory general offer.</p> <p>State Street Global Advisors analyzes strategic transaction-related proposals on a case-by-case basis. In analyzing transactions where controlling shareholders are involved, our focus is on the economic rationale of the transaction, structure of the issuance, fairness and risks around preemptive rights and alignment to the protection of minority shareholder interests.</p>

<b>Activity</b>	<p>Leading up to the company's annual general, the Asset Stewardship Team alongside the Fundamental Value team engaged with the company's Chief Financial Officer to understand the rationale for the share issuance, request for a whitewash waiver, and parties involved in the transaction.</p> <p>During our engagement with CICC, the company highlighted its long-term strategy where the issuance will be used to support capital needs for business development and replenish other working capital across different business segments of equity, fixed income trading, and wealth management.</p> <p>With a focus on growth and expansion in demand, the proceeds will be utilized to strengthen the company's position in the market. Furthermore, discussions were centered around capital and share class structure, target subscriber for the rights issue, and the whitewash waiver.</p>
<b>Outcome</b>	<p>Ultimately, we voted FOR the proposal in the absence of further concerns.</p> <p>On balance, the structure and nature of the transaction appears reasonable for shareholders to support. In addition, shareholders would be provided equal opportunity to maintain proportionate interest in the company.</p> <p>At the time, the differential in pricing and premium in the trading price of the A relative to H-shares class would mean a low probability for H-share shareholders to subscribe to the rights offer, and therefore likely that the majority shareholder would increase their stake. However, we viewed the risks of adverse impact to H-share shareholders as low, given material advantages of the majority shareholder providing capital at a much higher valuation relative to where the H-shares were trading.</p> <p>We will continue monitoring the outcome and will remain engaged with the company on this topic. We encourage firms in the Asia-Pacific region especially where structures involve significant or controlling shareholders, to continue engaging with other shareholders in providing transparency and in the consideration and protection of minority shareholder interests.</p>

# Companies Engaged

Company	Region	Environmental	Social	Governance
AGL Energy Limited	AUS & NZ	•		•
AGL Energy Limited (Dissident shareholder: Grok Ventures)	AUS & NZ	•		•
AGL Energy Limited (ESG issue advocate: ACCR)	AUS & NZ	•		•
AGL Energy Limited (Other: Candidate)	AUS & NZ	•		•
Air Liquide SA	Europe	•	•	•
Altria Group, Inc.	North America		•	•
Amadeus IT Group SA	Europe			•
Amcor plc	North America	•		
AMP Ltd.	AUS & NZ			•
APA Corporation	North America	•		•
Apache Corporation	North America	•		•
Apartment Investment and Management Company	North America			•
Apartment Investment and Management Company (Dissident shareholder: Land & Buildings)	North America			•
Apple Inc.	North America	•	•	•
Applied Materials, Inc.	North America	•		•
AptarGroup, Inc.	North America	•		
Asahi Kasei Corp.	Japan			•
Assicurazioni Generali SpA	Europe			•
Associated British Foods Plc	United Kingdom			•
Aurora Cannabis Inc.	North America			•
Aurubis AG	Europe			•
Australia and New Zealand Banking Group Limited	AUS & NZ	•		•
Avalara, Inc.	North America			•
Avalara, Inc. (Dissident shareholder: Altair)	North America			•
Avery Dennison Corporation	North America	•		
Axos Financial, Inc.	North America			•
Banca Mediolanum SpA	Europe			•
Bank of America Corporation	North America	•	•	•
Barclays Plc	United Kingdom	•		
Barrick Gold Corporation	North America		•	
Berry Global Group, Inc.	North America	•		
BHP Group Limited	AUS & NZ	•		•
BHP Group Limited (Shareholder proposal proponent: ACCR)	AUS & NZ	•		•
Bio-Techne Corporation	North America	•	•	

Company	Region	Environmental	Social	Governance
Bluescope Steel Limited	AUS & NZ			•
BP Plc	United Kingdom	•		•
Brambles Limited	AUS & NZ	•		
Caterpillar Inc.	North America	•		•
Cenovus Energy Inc.	North America			•
Central Japan Railway Co.	Japan			•
Charter Hall Group	AUS & NZ			•
Chevron Corporation	North America	•		
China International Capital Corporation Limited	Rest of World			•
Citigroup Inc.	North America	•	•	
CNH Industrial NV	United Kingdom			•
Coca-Cola HBC AG	Europe			•
Coles Group Limited	AUS & NZ			•
Colgate-Palmolive Company	North America			•
Compagnie Generale des Etablissements Michelin SCA	Europe		•	•
ConocoPhillips	North America			•
CONSOL Energy Inc.	North America	•	•	
ConvaTec Group Plc	United Kingdom			•
CoreCivic, Inc.	North America		•	
Credit Corp. Group Limited	AUS & NZ			•
Croda International Plc	United Kingdom			•
Crown Holdings, Inc.	North America	•		
CSL Limited	North America		•	•
Danone SA	Europe			•
Delta Air Lines, Inc.	North America	•	•	•
Deutsche Bank AG	Europe			•
Deutsche Post AG	Europe	•	•	•
Dexus	AUS & NZ		•	•
Discovery, Inc.	North America			•
Dow Inc.	North America	•	•	
DS Smith Plc	United Kingdom	•		
ENGIE SA	Europe	•	•	
Entain Plc	United Kingdom			•
EOG Resources, Inc.	North America	•		
Equinor ASA	Europe	•	•	
Eversource Energy	North America	•	•	•
Exxon Mobil Corporation	North America	•		
Ferrexpo Plc	Europe			•
Foot Locker, Inc.	North America			•
Ford Motor Company	North America	•		•
Fortescue Metals Group Ltd.	AUS & NZ		•	•



Company	Region	Environmental	Social	Governance
Fuji Soft, Inc.	Japan			•
General Motors Company	North America	•	•	
Genmab A/S	Europe			•
Gilead Sciences, Inc.	North America		•	•
Glencore Plc	AUS & NZ	•	•	•
GoDaddy Inc.	North America			•
Goodman Group	AUS & NZ			•
Greif, Inc.	North America	•		
Halliburton Company	North America			•
Halma Plc	United Kingdom			•
Helix Energy Solutions Group, Inc.	North America	•	•	•
Holcim Ltd.	North America			•
Honeywell International Inc.	North America	•	•	•
Host Hotels & Resorts, Inc.	North America		•	
HSBC Holdings Plc	United Kingdom			•
Huhtamaki Oyj	Europe	•		
Huntsman Corporation	North America			•
Hyundai Motor Co., Ltd.	Rest of World			•
Hyundai Motor Co., Ltd. (Dissident shareholder: SOC Investment Group)	Rest of World		•	
IDP Education Limited	AUS & NZ	•		•
Indra Sistemas SA	Europe			•
International Paper Company	North America	•		
Invesco Ltd.	North America		•	
J Sainsbury Plc	United Kingdom		•	
Johnson & Johnson	North America		•	•
Kering SA	Europe		•	•
Kinder Morgan, Inc.	North America	•		
Koninklijke Philips NV	Europe			•
Kyocera Corp.	Japan			•
LG Corp.	Rest of World			•
Lloyds Banking Group Plc	United Kingdom			•
Macy's, Inc.	North America		•	
Magellan Financial Group Limited	AUS & NZ		•	•
Marathon Petroleum Corporation	North America	•	•	
Mattel, Inc.	North America		•	
McDonald's Corporation	North America		•	
Mercedes-Benz Group AG	Europe	•	•	
Merck KGaA	Europe			•
Mercury Systems, Inc.	North America			•
Microsoft Corporation	North America	•	•	•
Mitsubishi Corp.	Japan			•

Company	Region	Environmental	Social	Governance
Mitsubishi UFJ Financial Group, Inc.	Japan			•
Mizuho Financial Group, Inc.	Japan			•
Moderna, Inc.	North America		•	•
Mondi Plc	Europe	•		
Moneysupermarket.com Group Plc	United Kingdom			•
MS&AD Insurance Group Holdings, Inc.	Japan			•
MSCI Inc.	North America			•
MTN Group Ltd.	Rest of World		•	
Muenchener Rueckversicherungs-Gesellschaft AG	Europe			•
Murphy Oil Corporation	North America	•		
Myers Industries, Inc.	North America	•		
National Australia Bank Limited	AUS & NZ	•		•
Newcrest Mining Ltd.	AUS & NZ			•
NextGen Healthcare, Inc.	North America			•
Nokia Oyj	Europe			•
Northern Star Resources Limited	AUS & NZ		•	•
OC Oerlikon Corp. AG	Europe			•
Ocado Group Plc	United Kingdom		•	•
OMV AG	Europe	•	•	•
Organon & Co.	North America		•	
Orora Limited	AUS & NZ	•		
Paychex, Inc.	North America			•
PepsiCo, Inc.	North America		•	
Perpetual Limited	AUS & NZ			•
Pfizer Inc.	North America			•
PG&E Corporation	North America		•	
Primary Health Properties Plc	United Kingdom			•
Qantas Airways Limited	AUS & NZ			•
QUALCOMM Incorporated	North America			•
Range Resources Corporation	North America	•		
Raytheon Technologies Corporation	North America		•	
Reckitt Benckiser Group Plc	United Kingdom			•
RioCan Real Estate Investment Trust	North America			•
Robinhood Markets, Inc.	North America		•	•
Rolls-Royce Holdings Plc (Other: Climate Action 100+)	United Kingdom	•		
Samsung Electronics Co., Ltd.	Rest of World	•		•
Sapporo Holdings Ltd.	Japan			•
Schroders Plc	United Kingdom			•
Sealed Air Corporation	North America	•		
SEGRO Plc	United Kingdom			•
Shell Plc	Europe			•

Company	Region	Environmental	Social	Governance
Siemens AG	Europe			•
SIG Combibloc Group AG	Europe	•		
Sompo Holdings, Inc.	Japan			•
Sonoco Products Company	North America	•		
South32 Ltd.	AUS & NZ	•		
Sumitomo Mitsui Trust Holdings, Inc.	Japan			•
Sysco Corporation	North America		•	•
Tabcorp Holdings Limited	AUS & NZ			•
Talos Energy Inc.	North America	•		•
Target Corporation	North America		•	
TBS Holdings, Inc.	Japan			•
Telefonica SA	Europe	•		
Temenos AG	Europe		•	•
Tesco Plc	United Kingdom		•	
Tesla, Inc.	North America		•	
The Allstate Corporation	North America			•
The Coca-Cola Company	North America	•		
The GEO Group, Inc.	North America		•	
The Goldman Sachs Group, Inc.	North America			•
The Goodyear Tire & Rubber Company	North America	•	•	•
The Home Depot, Inc.	North America	•	•	
The Procter & Gamble Company	North America	•		•
The Procter & Gamble Company (ESG issue advocate: Friends of the Earth, National Resource Defense Council (NRDC))	North America	•		
The Southern Company	North America	•	•	
The Star Entertainment Group Limited	AUS & NZ			•
The TJX Companies, Inc.	North America			•
The Walt Disney Company	North America		•	
The Wendy's Company	North America		•	
The Williams Companies, Inc.	North America	•		
Tokio Marine Holdings, Inc.	Japan			•
TotalEnergies SE	Europe	•		
TriMas Corporation	North America	•		
Tupperware Brands Corporation	North America	•		
Uber Technologies, Inc.	North America		•	•
Unilever Plc	United Kingdom		•	
United Airlines Holdings, Inc.	North America	•	•	•
Unum Group	North America			•
UPL Limited	Rest of World	•	•	
Vale SA	Rest of World	•	•	

Company	Region	Environmental	Social	Governance
Valero Energy Corporation	North America	•		
Veris Residential, Inc.	North America			•
Vodafone Group Plc	United Kingdom			•
Volkswagen AG	Europe	•	•	•
Waste Management, Inc.	North America	•		•
Wesfarmers Limited	AUS & NZ			•
Western Digital Corporation	North America			•
Westpac Banking Corp.	AUS & NZ	•		•
WestRock Company	North America	•		
Worley Limited	AUS & NZ			•
WPP Plc	United Kingdom			•
Wynn Resorts, Limited	North America		•	•
ZEON Corp.	Japan			•

Source: State Street Global Advisors Asset Stewardship Team as of 31 December 2022.

## Endnotes

- 1 Or where we abstained when it was determined that unqualified support for the remuneration report was not warranted.
- 2 2021 Proxy Season Review Australia & New Zealand, ISS.
- 3 [Climate Change Act 2022 \(legislation.gov.au\)](https://www.legislation.gov.au/ulinks/details.aspx?file=1&id=131202200001).
- 4 “Japanese Companies Improve on Board Independence and Diversity” *ISS Governance Insights, Japanese Companies Improve on Board Independence and Diversity (issgovernance.com)*.
- 5 <https://omscgcinc.wpenginepowered.com/wp-content/uploads/2022/10/September22-Challenger-CEO-Report.pdf>.

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\* Pensions & Investments Research Center, as of December 31, 2021.

<sup>†</sup> This figure is presented as of December 31, 2022 and includes approximately \$58.60 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

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