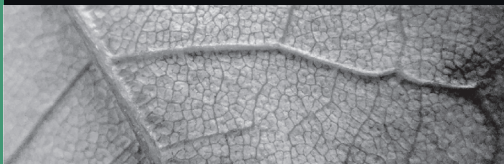


# Climate votes

Net-Zero Asset Owner  
Alliance (NZAOA)  
Climate Voting Transparency  
and Benchmarking Report



# Net-Zero Asset Owner Alliance (NZAOA) Climate Voting Transparency and Benchmarking Report

## Authors (alphabetically ordered):

Dr. Theodor Cojoianu, Queen's University Belfast & University of Edinburgh

Prof. Andreas Hoepner, University College Dublin

Dr. Yanan Lin, University College Dublin

Kate van der Merve, University College Dublin

Anh Vu, Queen's University Belfast & University College Dublin



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# Executive Summary

Asset owners have a very important role to play in influencing companies to accelerate action on climate change through their asset allocation decisions as well as their stewardship activities, in particular voting the shares they hold. They can also influence asset managers, governments and other important entities. In that context, the Net Zero Asset Owners Alliance (NZAOA), created in 2019 and now part of the larger Glasgow Finance Alliance for Net Zero, offers huge potential.

The purpose of this study is to analyse the direct climate voting activities of the 46 institutional investors which are part of the NZAOA as well as the (proxy) voting practices outlined in their 2020 PRI Transparency reports for the year ending on 31 December, 2019. Using data extracted from their PRI reports, as well as data from Proxy Insight on the outcomes of the climate votes cast directly by the asset owners, we find that overall, transparency levels with respect to the voting practices of NZAOA members disclosed in their latest PRI reports are low and that very few NZAOA members have publicly observable climate votes that have been cast directly by them.

Our benchmarking analysis of NZAOA members vs. a peer group consisting of UN Principles for Responsible Investment (PRI) members that are not part of the NZAOA suggests that after signing up to the NZAOA initiative, the asset owners' increase in direct pro-climate voting is not statistically different to that of the non-NZAOA peer group. Few NZAOA members track how voting decisions are made on their behalf and disclosure of the outcome of outsourced voting decisions is lacking.






# Key ! Findings



## Climate Voting Practice

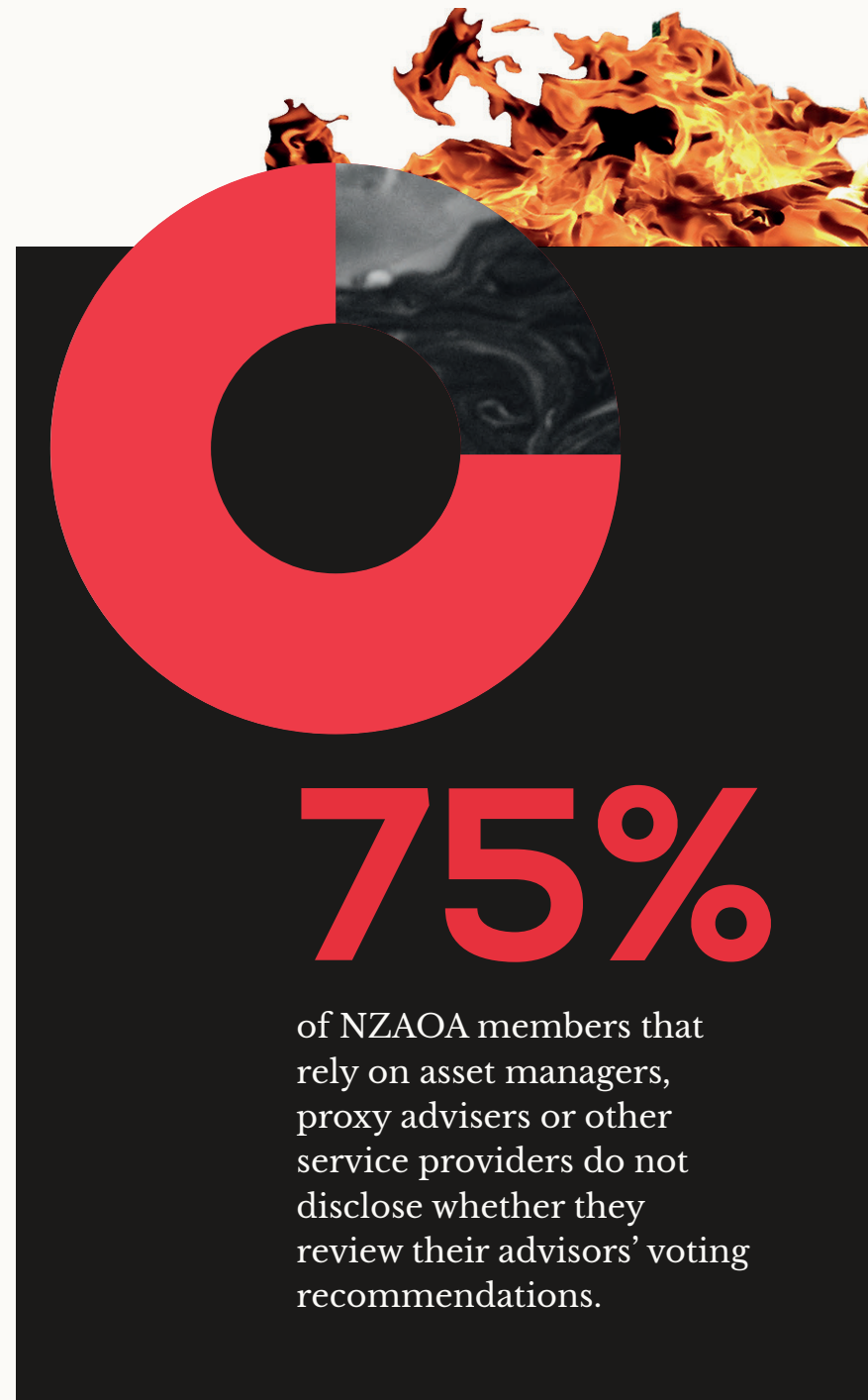
1. **Voting data from Proxy Insight revealed that out of the 46 asset owners that make up the NZAOA (the number of members as of the start of the study – September 2021) only 13 asset owners directly exercise their share voting rights on climate related shareholder proposals.**
2. **Although NZAOA members were early adopters of strong climate stewardship, joining the NZAOA does not result in asset owners improving their voting in favour of climate resolutions more than peers in the non-NZAOA group.**

Our research reveals that between April 2009 to September 2021, asset owners that are now members of the NZAOA were more likely to vote in favour of climate action at Annual General Meetings (AGMs) of companies than the non-NZAOA peer group. This is an indicator that investors that joined the NZAOA in its first two years were early adopters of strong climate voting policies.

However, when we analysed the voting pattern of NZAOA members and their non member peer group, we found that after becoming an NZAOA member, the NZAOA group's increase in pro-climate voting is not statistically different to the increase of the non-NZAOA peer group during the same time period. This is an indicator that joining the Alliance may be a recognition of existing voting practice, not an accelerator of that practice.

**3. Asset owners (both NZAOA and non-NZAOA groups) are more likely to vote in favour of climate resolutions at fossil fuel companies. However, this voting behaviour does not apply to ambitious climate resolutions that call for Paris-aligned strategies at major oil & gas companies.**

We find that asset owners (both NZAOA and non-NZAOA groups) are more likely to vote in favour of climate resolutions if the company whose shares are voted is a fossil fuel company. On the other hand, our case studies suggest inconsistent voting behaviour by NZAOA members when it comes to supporting ambitious climate resolutions that call for Paris-aligned strategies. For example, during the 2021 AGM at Royal Dutch Shell, only three out of the nine observed NZAOA members voted for the independent shareholder resolution that required Shell to set quantitative targets to reduce its emissions in line with the Paris Agreement’s goal of limiting global warming to 1.5 degrees, while voting against management’s Say on Climate proposal.



## Voting Transparency

### 4. A large proportion of NZAOA members have little insight into how their voting mandates are being exercised by service providers.

Transparency around voting decisions is an essential part of demonstrating the effectiveness and accountability of an asset owner's active ownership. Transparency is a key tenet of the Alliance.<sup>1</sup> Unfortunately, gathering voting data of asset owners continues to be a challenge. Since all NZAOA members studied in this report are members of the PRI, we determined the latest PRI Transparency report to be the most comprehensive source of publicly available information to use for this part of the analysis.

According to this analysis, we find that out of the 46 asset owners investigated for this report, some NZAOA members (39%) do not make public in their PRI Transparency report how voting decisions are made. Moreover, for those who report they rely on asset managers, proxy advisers or other service providers a large proportion (75%) do not disclose whether they

review their advisors' voting recommendations. We also found that half of NZAOA members (52%) do not publicly disclose or track how many votes they cast from the total amount of votes that either they cast themselves or their service providers cast on their behalf.

### 5. Lack of transparency on securities lending programmes could further exacerbate the potential of an asset owner's votes not getting exercised responsibly.

Securities lending results in transferring all rights to the borrower, this includes voting rights. According to the PRI Transparency reports, 72% of NZAOA members do not disclose whether they have a securities lending program and a further 13% disclose they do. This means a potential large amount of asset owner votes may not get exercised or could get exercised in opposition to the asset owner's responsible voting policy.

<sup>1</sup> Inaugural 2025 Target Setting Protocol, Net-Zero Asset Owner Alliance, January 2021, p.13.



# Our Recommendations



1. Asset owners should track, monitor and disclose how votes are exercised on their behalf.

Asset owners should commit to holding asset managers accountable if the asset manager fails to represent their climate voting values and commitments. This includes finding alternative asset managers if needed.

2. Asset owners should develop and publicly disclose escalation policies, and make transparent in a timely manner all elements of their voting outcomes.

3. Asset owners in the NZAOA and similar initiatives should align their proxy voting with the goal of limiting global warming to 1.5 ° in alignment with the IEA Net Zero pathway.

4. Future versions of NZAOA's Progress Report should provide more detail on the issues covered by this report.

# Introduction

## About the NZAOA

Launched in September 2019, the UN-convened Net-Zero Asset Owner Alliance (NZAOA) represents 60 institutional investors with US\$10 trillion assets under management.<sup>2</sup> The Alliance describes itself as “an international group of institutional investors delivering on a bold commitment to transition our investment portfolios to net-zero greenhouse gas (GHG) emissions by 2050.”<sup>3</sup>

As a collaborative initiative, the NZAOA recommends that its members seek to align their portfolios with the Paris Agreement by contributing to a number of tracks, which include setting engagement targets, sector targets, sub-portfolio emission targets and financing transition

<sup>2</sup> [Net-Zero Asset Owner Alliance](#), accessed October 28, 2021.

<sup>3</sup> Ibid.

targets. Among these tracks, the engagement target is the only mandatory track.<sup>4</sup>

The Alliance has also underlined the importance of climate voting in a report which it released in April 2021, *Elevating Climate Diligence on Proxy Voting Approaches: A Foundation for Asset Owner Engagement of Asset Managers*. This position paper outlines a set of principles that serve as a tool for asset managers to use when conducting climate-related proxy voting, such as governance, long-term interest, merit-based evaluation of climate relevant votes, and transparency and accessibility of voting records. In particular, the report states that climate votes should “be evaluated based on merit of the proposal and not current status of engagement or other engagement considerations.”<sup>5</sup> The Alliance also specifies that the alignment between

4 [Inaugural 2025 Target Setting Protocol](#), Net-Zero Asset Owner Alliance, January 2021.

5 [Elevating Climate Diligence on Proxy Voting Approaches: A Foundation for Asset Owner Engagement of Asset Managers](#), Net Zero Asset Owner Alliance and PRI, April 2021.

asset owners and asset managers in climate stewardship activities, such as proxy voting, is crucial to support reaching the commitment to the Alliance’s goal of net-zero portfolio emissions by 2050.

## Purpose of this study and past studies on ESG voting

Prior research on ESG voting focused on the consistency of ESG commitments, investors’ incentives to vote for ESG proposals, specific characteristics that influence ESG voting patterns, and the votes of asset managers.

Interestingly, these studies offer contradictory conclusions on the ESG voting of investors.

Some study results show that ESG-driven investors are more likely to vote in favour of ESG resolutions including those proposed by shareholders. For example, Curtis et al. (2021) investigated whether ESG funds vote the shares in their portfolio companies differently from non-ESG funds, using the Voting Analytics database from ISS for 2018–2019.

Others conclude the opposite, showing that the ESG dedication is not reflected in the voting records of investors. Specifically, de Groot et al. (2021) investigated how the largest U.S. asset managers vote on ESG related issues, using over 20 million voting records filed in Form N-PX with the U.S. Securities and Exchange Commission (SEC) from 2009 until 2018.

They find that asset managers vote against the majority of environmental and social proposals, and large and passive asset managers vote significantly less in favour of environmental and social proposals compared to medium-sized and active managers. Moreover, the study illustrated that members of PRI do not vote in favour of ESG proposals more often than non-members, and asset managers with a longer membership tenure have no better voting records than more recent members. Appendix 1 provides additional details to the literature review conducted for this study.

This study was conducted to identify whether the NZAOA members are in fact ambitious in their climate voting practices and mandates given the strong emphasis they place on active ownership as the primary tool to achieving real-world outcomes. Using data from Proxy Insight, this report reviews whether or not the voting practices of the NZAOA members are aligned with their commitments to net zero target setting on climate-related shareholder resolutions, and if they exhibit a different voting pattern compared to a control group of peers who are also PRI members but not members of the NZAOA. We further reviewed whether NZAOA members are transparent about their voting behavior on ESG by reviewing the 2020 PRI Transparency reports.<sup>6</sup>

6 Although there were 60 members in the NZAOA at the time of the report publication, since voting data for this study was collected in September 2021, 46 members of the NZAOA were included in the study.

# Data and Methodology Summary

## Climate votes

For analysing the climate voting behavior of NZAOA members and other PRI members that are not members of the NZAOA, we used data extracted from Proxy Insight in September 2021. Proxy Insight frequently uses Freedom of Information Requests, which provides them with better global coverage for asset owners than alternative data sources. Since all NZAOA members that appear in the Proxy Insight data are PRI members, when the report mentions PRI members, it means PRI members that are non-NZAOA.

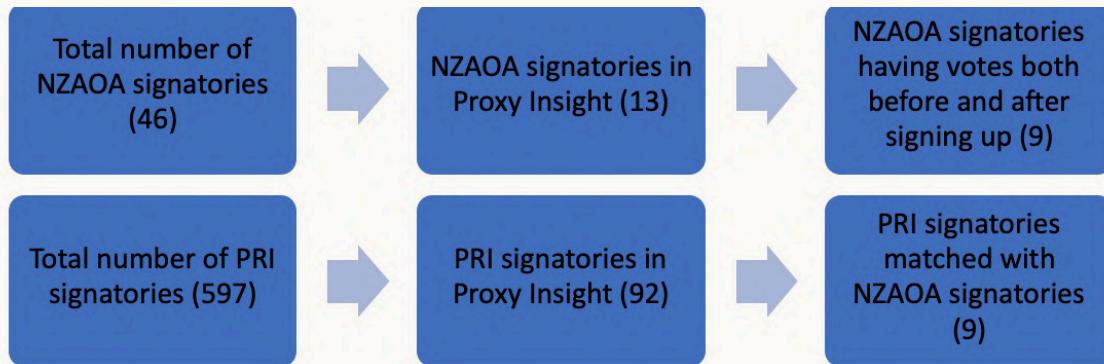


Figure 1. Filtering process of asset owners from Proxy Insight

The dependent variable in the climate votes analysis is proxy votes in favour of the climate. We use data on climate-related votes for the period from April 2009 to September 2021 provided by Proxy Insight. And through a series of steps illustrated in Figure 1, we were able to observe climate votes directly cast by asset owners.

Only ‘for’ votes on climate resolutions were counted towards voting in favour of climate resolution. The text of the resolution was also reviewed to ensure the vote cast ‘for’ would truly be a vote in favour of the climate.

For example, in the case of a resolution text that reads ‘Approve Lobbying Inconsistent with the Goals of the Paris Agreement’, the ‘for’ votes were re-classified as an ‘against’ vote. We also assigned several exploratory variables to observe and analyse the climate voting patterns of NZAOA members and its non-member peer group, including “NZAOA membership”, “votes after NZAOA member signs up to the Alliance,” and “company’s industry in the fossil fuel industry.” The control variable in this study was assets under management (AUM). The research also analysed the voting pattern on ambitious climate resolutions, such as those that require companies to change their business model (e.g. resolutions that ask companies to align their business strategy with the Paris Climate Agreement). Finally, the study also compared a subsample of 9 NZAOA members with climate voting records before and after joining the Alliance against 9 non-NZAOA peers. The peer group was determined based on country, AUM<sup>7</sup>, and voting patterns before the NZAOA membership date.

7 For all asset owners, we use IPE website for AUM (<https://www.top1000funds.com/asset-owner/>). In case of Allianz Global Investors, Ilmarinen Mutual Pension Insurance Company, and Achmea where IPE directory does not have their AUM records, we refer to their 2020 PRI public reports. For Mercy Investments, we refer to its website report ([https://www.mercyinvestmentservices.org/VivaMercy\\_2020.01\\_10%20Years%20of%20Investing%20with%20Values%20and%20Vision.pdf](https://www.mercyinvestmentservices.org/VivaMercy_2020.01_10%20Years%20of%20Investing%20with%20Values%20and%20Vision.pdf)) since neither IPE directory nor its PRI public report has its AUM.

Table 1. Subsample of NZAOA and non-NZAOA group

NZAOA member	PRI member
<p><b>Allianz Global Investors</b>                      Country: Germany                      AUM: USD562,943mil                      Type: Insurance Company &amp; Asset Manager</p>	<p><b>Ilmarinen Mutual Pension Insurance Company</b>                      Country: Finland                      AUM: USD55,696mil                      Type: Insurance Company</p>
<p><b>California Public Employees' Retirement System (CalPERS)</b>                      Country: USA                      AUM: USD373,000mil                      Type: Pension Fund</p>	<p><b>California State Teachers' Retirement System (CalSTRS)</b>                      Country: USA                      AUM: USD238,861mil                      Type: Pension Fund</p>
<p><b>AMF</b>                      Country: Sweden                      AUM: USD80,760mil                      Type: Pension Fund</p>	<p><b>Fjarde Ap-Fonden</b>                      Country: Sweden                      AUM: USD50,160mil                      Type: Pension Fund</p>
<p><b>Storebrand Asset Management</b>                      Country: Norway                      AUM: USD90,378mil                      Type: Insurance Company &amp; Pension Fund</p>	<p><b>KLP Kapitalforvaltning</b>                      Country: Norway                      AUM: USD67,680mil                      Type: Pension Fund</p>
<p><b>Aviva Investors</b>                      Country: UK                      AUM: USD23,426mil                      Type: Insurance Company &amp; Asset Manager</p>	<p><b>Brunel Pension Partnership</b>                      Country: UK                      AUM: USD 40,000mil                      Type: Pension Fund</p>
<p><b>AXA Investment Managers</b>                      Country: France                      AUM: USD634,925mil                      Type: Insurance Company &amp; Asset Manager</p>	<p><b>Achmea</b>                      Country: Netherlands                      AUM: USD48,868mil                      Type: Insurance Company</p>
<p><b>Wespath Investment Management</b>                      Country: USA                      AUM: USD19,970mil                      Type: Faith-based pension fund</p>	<p><b>Mercy Investments</b>                      Country: USA                      AUM: USD35,000mil                      Type: Faith-related investment company</p>
<p><b>Pensionskassernes Administration (PKA)</b>                      Country: Denmark                      AUM: USD53,500mil                      Type: Pension Fund</p>	<p><b>PenSam</b>                      Country: Denmark                      AUM: USD22,626mil                      Type: Pension Fund</p>
<p><b>P+ (DIP/JOEP)</b>                      Country: Denmark                      AUM: USD19,917mil                      Type: Pension Fund</p>	<p><b>AP Pension</b>                      Country: Denmark                      AUM: USD 18,000mil                      Type: Pension Fund</p>

After selecting the variables, the study conducted (i) a logistic regression for the whole sample and for each resolution, (ii) a difference-in-difference (DiD) regression for the whole dataset, (iii) a DiD regression for the subsample, and (iv) DiD regression for the whole dataset and subsample for ambitious climate resolutions, such as those that require companies to change their business model.

## Voting Transparency

The research also reviewed the voting patterns of NZAOA members on ESG voting from data provided in the 2020 reporting year of the PRI Transparency reports to understand how the rest of the NZAOA members were voting on climate. Since all NZAOA members studied in this report are members of the PRI they are required to publicly disclose their responsible investment and stewardship activities annually. We analysed the PRI Transparency reports to understand the voting pattern of NZAOA members, including how NZAOA members make decisions, evaluate external advisor's recommendations and use voting as an escalation strategy.

In October 2021, the Alliance published its first Progress Report to highlight its commitments and achievements over the two years. Although the Progress Report provides a few examples highlighting improvements in proxy voting policies of some members and its expectations of asset managers managers in aligning proxy voting with net-zero commitments, it does not provide a comprehensive overview of how its net-zero aligned proxy voting guideline is impacting the voting outcomes on climate resolutions.<sup>8</sup> Therefore, we concluded that the latest PRI Transparency is the most comprehensive publicly available information for this part of the analysis.

<sup>8</sup> [Credible Ambition, Immediate Action: The first progress report of the UN-convened Net-Zero Asset Owner Alliance.](#) Net Zero Asset Owner Alliance and PRI, October 2021.



# Analysis Results

Analysis of climate voting data concluded that NZAOA members were early adopters of strong climate voting policies and practices. However, we can also observe that their PRI counterparts are catching up quickly. Both groups are more likely to vote in favour of climate resolutions at coal, oil & gas companies.

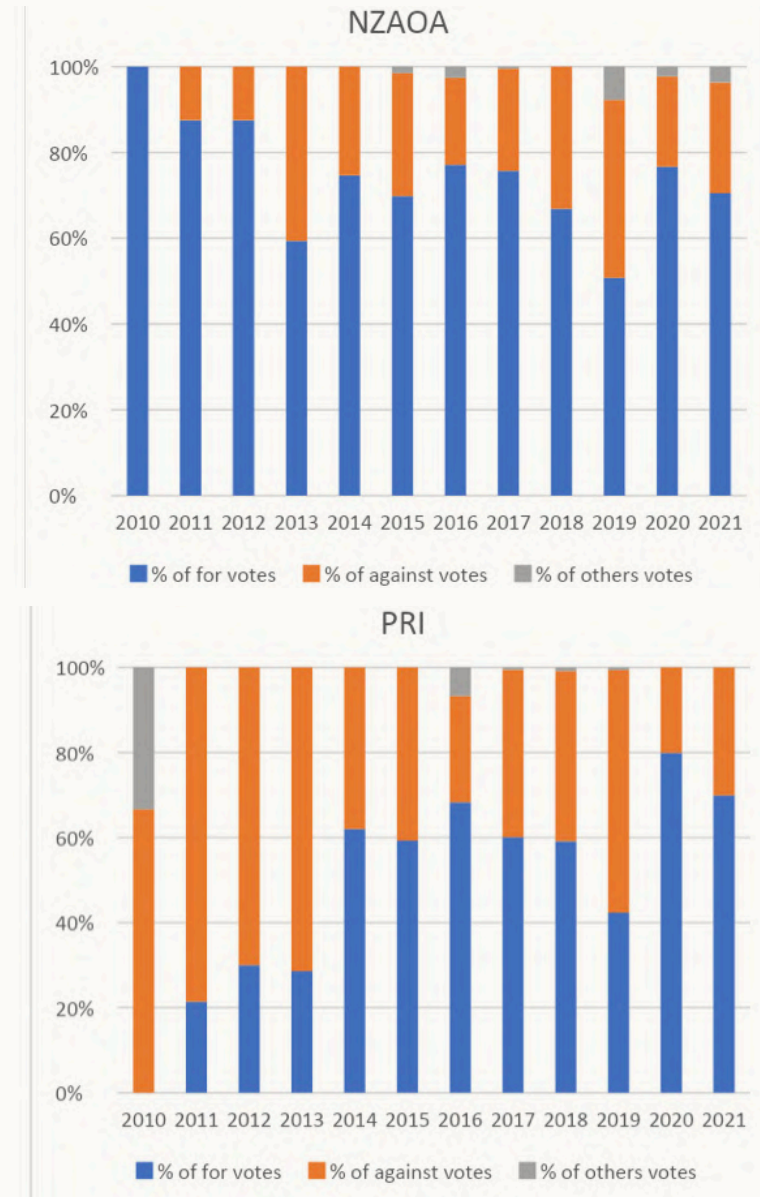


Figure 2: How matched NZAOA and PRI members vote on climate-related issues over time (9 NZAOA members and their 9 PRI counterparts)

Model 1 to Model 14 (Appendix 3, Table 1 and 2) show the results for two logistic regressions for the whole sample. Table 1 introduces gradually each independent variable (from Model 1 to Model 3) and includes fixed effects for countries and years (Model 4 and 5). We will interpret Model 5's result as it contains all variables and fixed effects. Overall, for the whole sample of votes from April 2009 to September 2021, the coefficient for being an NZAOA member equals 0.679 which corresponds to the log odds ratio between the NZAOA group and the PRI group. Consequently, the odds ratio is 1.971, which means the odds for NZAOA members voting in favour of climate action are about 97% higher than the odds for PRI members. Moreover, if the issuer's industry is fossil fuels, it increases the probability of the for votes by 131% (log odds = 0.840; odds =  $\exp(0.840) = 2.316$ ).

We then examine the voting data on a resolution detail basis to investigate on which particular resolution details the NZAOA members are more likely to vote in favour.

Of the nine resolution details, there are seven where being an NZAOA member variable has a statistically significant result. We find that, on average, NZAOA members tend to cast for votes on climate-related resolutions that are on:

- (i) adopt/amend energy policy;
- (ii) adopt/amend environmental policy;
- (iii) approve strategic resilience for 2035 and beyond ( $\beta = 1.998$ ,  $p < 0.1$ , odds ratio = 7.374);
- (iv) assess impact of a 2-degree scenario ( $\beta = 1.712$ ,  $p < 0.01$ , odds ratio = 5.540);
- (v) create climate change report ( $\beta = 1.076$ ,  $p < 0.01$ , odds ratio = 2.933);

(vi) create energy report ( $\beta = 1.550$ ,  $p < 0.01$ , odds ratio = 4.711); and

(vii) create environmental report ( $\beta = 1.507$ ,  $p < 0.1$ , odds ratio = 4.513).

Joining the NZAOA does not result in asset owners improving their voting in favour of climate resolutions more than peers in the non-NZAOA group. Moreover, the treatment effect coefficients are all negative across three different datasets (whole sample, matched subsample, and subsample containing resolutions relating to changing business models), which further corroborates the finding that after signing-up to the NZAOA initiative, the NZAOA members increase in pro-climate voting is not statistically different to that of non-NZAOA group.

From Appendix 3, Table 3 to Table 8, we show results for difference-in-difference regression for the whole sample (Model 15 to Model 22), for matched subset of NZAOA members and their counterparts (Model 23 to Model 30), for votes concerning changing business models of issuers (Model 31), and for the subsample with votes concerning changing business models of issuers (Model

32). The coefficient on NZAOA members is the expected mean difference in “for” votes between treatment group and control group (NZAOA and PRI members), which can be viewed as the baseline difference. The coefficient on “After NZAOA member” is the expected mean difference in “for” votes before and after NZAOA members sign up to the Alliance, and this is the time effect.

The coefficient of focus is the one associated with the interaction term (NZAOA member after signing up to NZAOA) – estimate of the treatment effect.

Across Appendix 3, Table 3, 5, and 7, we can see that the difference-in-difference coefficients are negative and not statistically significant. Although not statistically significant, the results indicate that after joining the Alliance, the NZAOA members are less likely to vote in favour of climate actions than their non-NZAOA PRI peers. In the final model (Model 32), the difference-in-difference coefficient is negative and statistically significant ( $\beta = -0.775$ ,  $p < 0.05$ , odds ratio = 0.461), which can be interpreted as a 54% decrease in the odds of “for” votes by NZAOA members as compared with PRI members. The treatment effect coefficients are all negative across three different datasets (whole sample, matched subsample, and subsample containing resolutions relating to changing business models) further corroborate the finding that after signing-up to the

NZAOA initiative, the NZAOA members increase in pro-climate voting is not statistically different to that of non-NZAOA members. Complete statistical results of climate-related voting data could be found in Appendix 3.

## Voting Transparency

According to the PRI Transparency reports, we find that a large proportion of NZAOA members have little insight into how their voting mandates are being exercised by service providers. 39% of NZAOA members do not make public how voting decisions are typically being made. Among NZAOA members who report that they hire service providers, 75% do not disclose publicly whether they review their advisors' voting recommendations. 78% of NZAOA members do not disclose if they (co)filed any shareholder resolutions. 63% of NZAOA members either do not make public or do not have a formal escalation strategy after unsuccessful voting. 72% of NZAOA members do not disclose whether they have a securities lending programme. Complete analysis of the asset owners' PRI Transparency reports is available in Appendix 4.

# Case studies

In this section, we present case studies to demonstrate whether or not NZAOA members are practicing merit-based climate voting to support ambitious climate resolutions in line with the Paris Climate Agreement.<sup>9</sup>

<sup>9</sup> Since this study focuses on establishing the causality of NZAOA membership and ambitious climate voting, for the case studies, we only analysed the votes of asset owners that were NZAOA members at the time of the AGM. And for select asset owners we referred to the voting records of the asset owner's asset management wing.

Case Study 1:  
**Royal Dutch  
 Shell climate  
 resolutions**

The 2021 AGM of British-Dutch oil & gas major Royal Dutch Shell serves as an example of how NZAOA members evaluated two contrasting climate votes. In the spring of 2021, the shareholder advocacy groups Follow This and ACCR filed a climate resolution that would require Shell to set quantitative targets to reduce its emissions in line with the Paris Agreement's goal of limiting global warming to 1.5 degrees. The resolution further specified that these targets should cover the short, mid and long-term emissions of the company's operations and its energy use (scope 1, 2 and 3).<sup>10</sup>

<sup>10</sup> [2021 Royal Dutch Shell Resolution](#), Follow This.

Shell then tabled its own resolution, asking investors to vote to approve its transition plan. The oil & gas major's transition plan was identified by NGOs and some investors as falling short of what is needed to limit global warming to 1.5 degrees.<sup>11 12</sup>

Instead, Shell's plan allows the company to continue to invest billions of dollars in upstream oil and gas and to exclude petrochemicals from its targets, while implementing very large amounts of offsets this decade. In the lead up to the company's AGM, a group of six NGOs - Greenpeace, ShareAction, Follow This, Reclaim Finance, ACCR and Oil Change International - wrote an open letter to investors urging them to reject Shell's transition plan.

At the AGM:

- 30% of investor votes cast backed the independent climate targets resolution
- 88% of investor votes cast backed Shell's transition plan.

<sup>11</sup> [Open letter to investors engaging Shell on climate strategy](#), Reclaim Finance, February 26th 2021

<sup>12</sup> [Advisory firm PIRC slams Shell on climate strategy before AGM](#), Reuters, May 11th, 2021, [Methodist Church dumps Shell over 'inadequate' climate plans](#), Financial Times, April 30th, 2021.

- Nine NZAOA members' votes at Shell's 2021 AGM are available in Proxy Insight. There is inconsistency in how individual NZAOA members vote on ambitious climate resolutions:
- Three NZAOA members voted in favour of the independent shareholder resolution and voted against Shell's energy transition plan.
- Five Alliance members supported management by voting in favour of Shell's energy transition plan, while one abstained.
- One Alliance investor voted in favour of both the independent shareholder resolution and Shell's own proposed energy transition plan.

<b>Resolution:</b> Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions (Proposal #21)	
<b>Proponent:</b> Shareholder	
<b>Asset Owner</b>	<b>Vote Cast</b>
Allianz Global Investors	Against
Aviva Investors	For
AXA Asset Management	Against
BNP Paribas Asset Management	Abstain
CalPERS	Against
Nordea Investment Management	For
PKA	For
Storebrand Asset Management	For
Wespath Investment Management	Against

Table 2. NZAOA vote cast on independent shareholder resolution that request Shell to set and publish targets for greenhouse gas (GHG) emissions during Shell's 2021 AGM.

Source: Proxy Insight, accessed Nov 2021.

<b>Resolution:</b> Approve Shell’s Energy Transition Strategy (Proposal #20)	
<b>Proponent:</b> Management	
<b>Asset Owner</b>	<b>Vote Cast</b>
Allianz Global Investors	For
Aviva Investors	Against
AXA Asset Management	For
BNP Paribas Asset Management	For
CalPERS	Abstain
Nordea Investment Management	For
PKA	Against
Storebrand Asset Management	Against
Wespath Investment Management	For

Table 3. NZAOA vote cast on management proposed resolution that request to approve Shell’s energy transition strategy during Shell’s 2021 AGM

Source: Proxy Insight, accessed Nov 2021.

The votes of the remaining NZAOA members who may hold shares at that time are, however, not publicly available.

Despite the emphasis on the importance of merit-based climate voting, this inconsistency among members on how they vote on ambitious climate resolutions questions whether NZAOA members have a sufficiently consistent view of what a strong corporate climate plan needs to contain, and if they are walking the talk on their climate voting mandates. It also illustrates how being a member of the Alliance does not automatically improve a member’s ability to see through and reject a heavy emitter’s plans to continue expanding fossil supply.

Just ten days after Shell’s AGM, a Dutch judge ordered the company to cut its emissions sharply, finding that the climate plans the



Case Study 2:  
**Sempra**  
**Energy climate**  
**lobby alignment**  
**resolution**

company had presented to its AGM “largely amount to rather intangible, undefined and non-binding plans for the long term”.<sup>13</sup>

A resolution at US-based power utility Sempra Energy provides insights into how Alliance members approached the issue of climate lobbying alignment.

Independent shareholder advocacy organization As You Sow tabled a resolution calling on Sempra Energy’s board of directors to:

“evaluate and issue a report at reasonable cost omitting proprietary information describing if and how Sempras lobbying activities direct and through trade associations align with the Paris Agreements goal to limit temperature rise to 1.5 degrees and how Sempra plans to mitigate risks presented by any misalignment.”<sup>14</sup>

13 [Big Oil is in the dock](#), The Guardian, May 28th 2021.

14 [Proxy Memo, Sempra Energy Shareholder](#)



Sempra’s concerted anti-climate lobbying has received sustained negative attention in recent years.

Federal legislators have also taken note and sent a public letter condemning Sempra’s efforts to “systematically undermine greenhouse gas reduction targets in California.”<sup>15</sup>

Sempra subsidiary Southern California Gas (SoCalGas) stands accused of establishing and funding a consumer front group to promote “renewable gas” and “balanced energy solutions”, including through mobilising Latino leaders.<sup>16</sup>

The California Public Utilities Commission’s Public Advocate’s Office investigated SoCalGas for its use of ratepayer funds to promote natural gas.<sup>17</sup> Then, in April, a few weeks before Sempra’s 2021 AGM, regulators at the California Public Utilities Commission ruled that SoCalGas misused customer money to lobby against energy-efficiency standards for buildings, and ordered

[Proposal on Climate Lobbying](#), undated.

15 [California federal legislators press SoCalGas on reported efforts to ‘undermine’ California’s climate goals](#), Utility Dive, 2nd November 2020.

16 [US gas utility funds ‘front’ consumer group to fight natural gas bans](#), The Guardian, 26th July 2019.

17 [Is America’s biggest gas utility abusing customer money? A California watchdog demands answers](#), LA Times, July 23rd, 2020.

the utility to refund those amounts to ratepayers.<sup>18</sup>

In addition to its lobbying directly and via its subsidiaries, Sempra Energy provides very limited transparency on lobbying via industry associations of which it is a member. It makes very significant financial contributions to the American Gas Association and the US Chamber of Commerce.<sup>19</sup> Both organisations have been found by Influence Map to back significant lobbying against climate-friendly legislation.

At Sempra Energy’s AGM the lobby alignment resolution was backed by just 37% of investors. Eleven NZAOA members’ votes on this resolution are available in Proxy Insight and all voted in favour of this resolution. The votes of the remaining NZAOA members who may hold shares at that time are, however, not publicly available.

This lack of data limits the Alliance’s ability to fulfil its objective to “be reliably transparent and proactive in explaining our role, views and how we are addressing key issues and limitations of portfolio decarbonisation beyond our control [and] to learn from and build on external feedback received through public dialogue.”<sup>20</sup>

18 [CPUC judge orders SoCalGas to return ratepayer funds but stops short of imposing financial penalty](#), Utility Dive, 27th April, 2021.

19 [Sempra Energy: Climate Policy Engagement Overview](#), Influence Map, April 2021.

20 [Inaugural 2025 Target Setting Protocol](#), Net-Zero Asset Owner Alliance, January 2021, p.13.

<b>Resolution:</b> Report on Lobbying Payments and Policy with the Paris Agreement	
(Proposal #5)	
<b>Proponent:</b> Shareholder	
<b>Asset Owner</b>	<b>Vote Cast</b>
Allianz Global Investors	For
AMF	For
Aviva Investors	For
AXA Asset Management	For
BNP Paribas Asset Management	For
CalPERS	For
Cbus Super Fund	For
Nordea Investment Management	For
PKA	For
Storebrand Asset Management	For
Wespath Investment Management	For

Table 4. NZAOA vote cast on independent shareholder resolution that request to Report on Lobbying Payments and Policy with the Paris Agreement during Sempra Energy’s 2021 AGM. Source: Proxy Insight, accessed Nov 2021.

The aggregated data in the Alliance’s Progress Report describing its first two years of activity also fails to bring sufficient transparency to Alliance member voting.<sup>21</sup>

21 [Credible Ambition, Immediate Action](#), Net-Zero Asset Owner Alliance, October 2021.

# Conclusions

Using data from Proxy Insight and the PRI, we unveil that out of the 46 NZAOA members analysed, only 13 have at least one observable climate vote which the asset owners have cast themselves. Comparing the pro-climate voting performance of these 13 asset owners with their non-NZAOA PRI peers, we find that after signing on to the NZAOA, these asset owners haven't increased their pro-climate voting more than their peers. In addition, by examining the PRI Transparency reports of the entire NZAOA cohort, the evidence suggests that NZAOA members do not systematically track nor disclose how (climate) votes are exercised on their behalf.

This points to two important areas of improvement for NZAOA members and any asset owner which looks to positively impact the climate and ultimately seeks to claim climate investing leadership. First, it would require complete and timely transparency on how each climate related vote was cast, either by asset owners directly or on their behalf.

Secondly, for those votes which were voted against

climate change mitigation actions, asset owners should disclose the rationale for doing so, either as a result of their own analysis or the rationale of the proxy advisers that they choose to follow. This would allow for a comprehensive benchmarking exercise across the climate voting record of asset owners whose investments are either managed in-house, are fully outsourced or are a mix of the two. Such level of transparency would also allow for an accurate assessment of whether the NZAOA initiative is indeed a leading initiative. The level of transparency of the NZAOA members does not allow for such a comprehensive assessment and thus, the NZAOA initiative cannot claim global climate voting leadership. As a follow-up, climate voting research would benefit from further insights into the recommendations of proxy advisors and what determines whether asset owners follow or diverge from the recommendation, particularly if it is against the advancement of climate change mitigation. Follow-on research could also address the impacts of signing-up to the PRI and how the PRI's transparency report data on voting relates to the actual voting performance of asset owners.



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# Appendix 1. Literature Review

Prior research focused on the consistency of ESG commitment and the votes of asset managers (de Groot, de Koning, & van Winkel, 2021; Griffin, 2020), and specific characteristics that influence ESG voting patterns, the incentives of investors to vote for ES proposals (He, Kahraman, & Lowry, 2018), the comparison of ESG funds and other funds on voting patterns (Curtis, Fisch, & Robertson, 2021; Dikolli, Frank, Guo, & Lynch, 2021) etc. These studies offer contradictory conclusions on the ESG voting of investors who are dedicated to integrating ESG factors into their investment. For example, Curtis et al. (2021) investigate whether ESG funds vote the shares in their portfolio companies differently from non-ESG funds, using the Voting Analytics database from ISS for 2018–2019. They find that ESG funds are substantially more likely to oppose management by supporting shareholder proposals, particularly when shareholder

proposals address environmental issues, “E” funds are far more likely than other funds to oppose management. Similarly, Michaely et al. (2021) find that ES funds are approximately 30% more supportive of ES proposals compared to non-ES funds. Dikolli et al. (2021) report that ESG funds are more likely than non-ESG funds to vote for ES proposals. 32.03% of votes by ESG funds on ES proposals are in favour of the proposals, compared to only 21.38% for non-ESG funds.

However, other studies present the opposite evidence showing that the ESG dedication is not reflected in the voting records of investors. In particular, He et al. (2018) look at the mutual funds voting across 2004 to 2016 on ES proposals, and conclude that mutual funds are less likely to vote for ES issues supported by ISS, compared to other shareholder proposals that are similarly receive ISS support, and the tendencies to disagree with ISS for recommendations on ES proposals has increased over time. Griffin (2020) even more directly focuses on the three largest asset managers only (Vanguard, Blackrock, and State Street), and concludes that they support far less ES proposals than some of their competitors. A more recent study identifies the contradiction of increased interest in sustainable investing and lower level of support

on ESG issues with a more extensive sample. Specifically, de Groot et al. (2021) investigate how the largest U.S. asset managers vote on ESG related issues, using over 20 million voting records filed in Form N-PX with the U.S. Securities and Exchange Commission (SEC) from 2009 until 2018. They find that despite the increasing absolute number of votes on environmental and social issues over the recent decade, the relative number of these proposals are put forward by shareholders. Furthermore, asset managers vote against the majority of all environmental and social proposals. Large and passive asset managers vote significantly less in favour of environmental and social proposals compared to medium-sized and active managers. Members of PRI do not vote in favour of ESG proposals more often than non-members, and asset managers with a longer membership tenure have no better voting records than more recent members.

# Appendix 2. Data and Methodology



## Dependent Variable

Proxy votes in favour of climate resolutions

### a. Identify asset owners that directly cast their votes

We use data on climate-related votes for the period from April 2009 to September 2021 provided by Proxy Insight – a source of information on global shareholder voting. In total, there are 62,088 votes of 1,374 investors on climate-related issues in 312 annual general meetings (AGMs) of 146 companies over the period. Then, from the list of 46 NZAOA asset owners and 597 PRI asset owners that are non-NZAOA (the number of members as of the start of the study – September 2021), we find possible corresponding matches of asset owner names in the Proxy Insight data, resulting in 8,801 votes that include either NZAOA or PRI members. Specifically, there are 1,768 votes by NZAOA members and 7,033 votes by PRI members. The resulting dataset contains 13 out of 46 NZAOA members and 92 out of 597 PRI asset owners.

### b. Identify votes that are truly in favour of climate

The data point in the Proxy Insight data that we use to build the dependent variable is “vote cast”. In most of the cases, the vote cast “for” would be the vote in favour of the climate; however, that is not the case with resolution text that reads “Approve Lobbying Inconsistent with the Goals of the Paris Agreement”. As a result, we re-classify “for” votes in relation to this resolution as “against” since it contradicts the goals of the Paris Agreement.

Afterwards, we build 3 dummy variables: (i) “for” vote, (ii) “against” vote, (iii) and “others” vote. The “for” vote is 1 if “vote cast” is “for” and 0 otherwise. The “against” vote equals 1 if the vote cast is against and 0 otherwise. Finally, the “others” vote is 1 if the vote cast by investors is either DNV (do not vote) or abstain and 0 otherwise. The dependent variable is the dummy variable “for” vote.

## Exploratory variables

We assigned several exploratory variables to observe and analyse the climate voting patterns of NZAOA members and its non-member peer group.

### a. NZAOA membership

We add another dummy variable indicating whether an asset owner is a member to the NZAOA. 1 indicates an asset owner signs up to the NZAOA and 0 indicates otherwise.

### b. Votes after NZAOA member signs up to the Alliance

We assign meeting ids to each unique AGM; in total, there are 299 AGMs in the dataset. We then pick up meetings that have at least one vote from NZAOA members. Then, based on information on the member date of the 13 NZAOA members in the final dataset, we build a dummy variable for meetings after and before the member dates. If the meeting date is after the member dates, the dummy variable takes the value of 1; otherwise, it is 0.

### c. Company's industry in the fossil fuel industry

For this independent variable, we categorise an issuer's (company) industry based on available data in Proxy Insight. Specifically, the variable equals to 1 if the company's industry is either coal or oil & gas, and equals 0 otherwise.

## Control variable

### a. Asset under management (AUM)

The variable is in million USD, and is added to the dataset based on the list of top 1,000 funds and on the public reports of the PRI members where the top 1,000 funds do not have relevant information.

## Model specification

The study aims to understand whether and to which extent the NZAOA members vote in favour of the climate compared to the peer group of PRI members. Therefore, we conduct (i) a logistic regression for the whole dataset, (ii) a difference-in-difference (DiD) regression

for the whole dataset, and (iii) a DiD regression for a subsample of NZAOA members and their comparative PRI counterparts.

### a. Logistic regression

We adopt a logistic regression model with robust standard errors. The model specification is as follows, with  $\epsilon_i$  being stochastic error.

$$\text{(For votes)}_T = \beta_0 + \beta_1 * (\text{NZAOA membership})_T + \beta_2 * (\text{Votes after NZAOA member signs up to the Alliance})_T + \beta_3 * (\text{Company's industry in the fossil fuel industry})_T + \beta_4 * \text{Country effects} + \epsilon_i$$

For this regression, we run for the whole sample and for each of the resolution details (Table 1 and 2).

### b. Difference-in-difference regression

DiD is implemented as an interaction term between time and treatment group dummy variables, which in our study are (i) votes after NZAOA members sign up to the Alliance and (ii) the NZAOA membership. The model can be expressed as

$$\text{(For votes)}_T = \beta_0 + \beta_1 * (\text{NZAOA membership})_T + \beta_2 * (\text{Votes after NZAOA member signs up to the Alliance})_T + \beta_3 * (\text{NZAOA membership} * \text{Votes after NZAOA member signs up to the Alliance})_T + \beta_4 * (\text{Company's industry in the fossil fuel industry})_T + \beta_5 * \text{Country effects} + \epsilon_i$$

In line with the logistic regression above, we run the DiD regression for both the whole sample and each of the resolution details (Table 3 and 4).

### c. Matched subsample

As a robustness test, we narrow down the control group to those PRI members who are comparative to each of the NZAOA members in the dataset. There are 9 out of 13 NZAOA members with votes before and after they join the Alliance; as a result, we chose 9 corresponding PRI members based on country, AUM, and voting patterns before the NZAOA member dates. For this subsample, the same DiD regression and DiD regression for each resolution are implemented.

Finally, as another robustness test, we include resolution details that may require companies to change their business models, and run DiD regressions for the whole dataset and for the subsample.

# Appendix 3. Statistical Results

Table 1: Logistic regression for the whole sample (from April 2009 to September 2021)

Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Model 1	Model 2	Model 3	Model 4	Model 5
Log AUM	-0.073*** (0.013)	-0.099*** (0.013)	-0.097*** (0.013)	-0.098*** (0.015)	-0.099*** (0.015)
Being an NZAOA member		0.525*** (0.058)	0.551*** (0.059)	0.650*** (0.084)	0.679*** (0.085)
Issuer's industry in fossil fuel sectors			0.810*** (0.050)	0.792*** (0.052)	0.840*** (0.054)
Constant	2.221*** (0.313)	2.756*** (0.326)	2.474*** (0.328)	1.570*** (0.370)	2.239*** (0.742)
Observations	8,801	8,801	8,801	8,790	8,790
Pseudo R-squared	0.00307	0.0102	0.0334	0.0821	0.102
Log-likelihood	-5885	-5843	-5706	-5414	-5297

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 2: Logistic regression for the whole sample for each resolution details of meetings (from April 2009 to September 2021)

	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13	Model 14
Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Adopt Say on Climate Vote	Adopt/Amend Climate Change Policy	Adopt/Amend Energy Policy	Adopt/Amend Environmental Policy	Approve Strategic Resilience for 2035 and Beyond	Assess Impact of a 2 Degree Scenario	Create Climate Change Report	Create Energy Report	Create Environmental Report
Log AUM	-0.160 (0.263)	0.049 (0.135)	-0.281*** (0.063)	-0.095 (0.068)	0.169 (0.264)	0.144*** (0.055)	-0.126*** (0.028)	-0.163*** (0.054)	-0.262** (0.114)
Being an NZAOA member	-0.700 (0.783)	0.561 (0.805)	1.144*** (0.295)	0.569** (0.270)	1.998* (1.080)	1.712*** (0.527)	1.076*** (0.152)	1.550*** (0.341)	1.507* (0.819)
Issuer's industry in fossil fuel sectors			-0.665 (0.456)	0.086 (0.285)	-0.398 (0.691)	0.669** (0.308)	0.601*** (0.084)	1.557*** (0.301)	-2.506*** (0.792)
Constant	6.880 (7.170)	-1.352 (3.283)	4.589** (1.922)	3.724** (1.811)	-0.138 (6.411)	-0.705 (1.544)	2.631*** (1.018)	0.692 (1.876)	11.075*** (3.230)
Observations	188	117	1,166	694	217	1,216	3,706	1,031	239
Pseudo R-squared	0.265	0.136	0.194	0.174	0.419	0.264	0.138	0.294	0.267
Log-likelihood	-86.52	-68.75	-393.2	-393.4	-49.56	-281.9	-2005	-458.8	-121.4

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.

Table 3: Difference-in-difference regression for the whole sample (from April 2009 to September 2021)

Table continues on the next page

Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Model 15 Difference in difference
Log AUM	-0.022 (0.014)
NZAOA member	-0.026 (0.091)
After signing NZAOA	0.348*** (0.059)
NZAOA member after signing NZAOA	-0.134 (0.124)
Issuer's industry in fossil fuel sectors	0.739*** (0.052)
Austria	1.791* (1.081)
Canada	0.189* (0.111)
Denmark	0.195 (0.143)
Finland	0.961 (1.181)
France	0.635*** (0.185)
Germany	0.194 (0.166)
Ireland	1.230 (0.812)
Japan	-3.212***

	(0.421)
Korea	0.376
	(1.016)
Netherlands	0.296***
	(0.090)
New Zealand	0.211
	(0.341)
Norway	0.309**
	(0.124)
South Africa	0.360
	(0.318)
Sweden	0.472***
	(0.126)
Switzerland	0.268
	(0.221)
United Kingdom	0.247**
	(0.113)
United States	0.540***
	(0.083)
Constant	0.500
	(0.358)

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Observations	8,801
Pseudo R-squared	0.0482
Log-likelihood	-5489

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Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.



Table 4: Difference-in-difference regression for the whole sample for each resolution details of meetings (from April 2009 to September 2021)

	Model 16	Model 17	Model 18	Model 19	Model 20	Model 21	Model 22
Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Adopt/ Amend Climate Change Policy	Adopt/ Amend Energy Policy	Adopt/ Amend Environmental Policy	Approve Strategic Resilience for 2035 and Beyond	Create Climate Change Report	Create Energy Report	Create Environmental Report
Log AUM	-0.123 (0.122)	-0.197*** (0.057)	0.037 (0.056)	0.089 (0.157)	0.007 (0.023)	-0.002 (0.046)	0.065 (0.110)
NZAOA member	0.163 (0.637)	0.017 (0.291)	0.035 (0.323)	-0.530 (0.811)	0.092 (0.149)	-0.089 (0.308)	-0.110 (0.875)
After signing NZAOA		-2.223*** (0.628)	0.852*** (0.185)		0.739*** (0.085)	-1.957*** (0.257)	-0.964** (0.438)
NZAOA member after signing NZAOA		0.849 (1.022)	-0.282 (0.402)		-0.155 (0.185)	-0.636 (0.471)	-0.113 (1.027)
Issuer's industry in fossil fuel sectors		-1.825*** (0.496)	-0.412** (0.196)		0.374*** (0.077)	0.959*** (0.291)	
Constant	3.301 (2.991)	3.784*** (1.428)	-1.773 (1.361)	-2.521 (3.741)	-0.185 (0.569)	0.903 (1.170)	-1.105 (2.766)
Observations	121	1,192	697	126	3,708	1,021	148
Pseudo R-squared	0.0245	0.0805	0.0493	0.0353	0.0264	0.0909	0.0717
Log-likelihood	-78.85	-535	-444	-79.77	-2295	-507.2	-92

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 5: Difference-in-difference regression for the subsample (from May 2010 to June 2021)

Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Model 23 Difference in difference
Log AUM	-0.063 (0.054)
NZAOA member	0.203* (0.121)
After signing NZAOA	0.591*** (0.143)
NZAOA member after signing NZAOA	-0.222 (0.190)
Issuer's industry in fossil fuel sectors	0.810*** (0.094)
Observations	2,646
Pseudo R-squared	0.0317
Log-likelihood	-1691

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 6: Difference-in-difference regression for the subsample for each resolution details of meetings (from May 2010 to June 2021)

	Model 24	Model 25	Model 26	Model 27	Model 28	Model 29	Model 30
Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Adopt/ Amend Climate Change Policy	Adopt/ Amend Energy Policy	Adopt/ Amend Environmental Policy	Approve Strategic Resilience for 2035 and Beyond	Create Climate Change Report	Create Energy Report	Create Environmental Report
Log AUM	-0.003 (0.392)	-0.241 (0.203)	-0.160 (0.192)	-0.497 (0.517)	0.013 (0.082)	-0.034 (0.158)	-0.162 (0.551)
NZAOA member	-0.272 (0.788)	0.687* (0.414)	0.260 (0.404)	0.142 (1.138)	0.118 (0.194)	-0.177 (0.408)	0.908 (1.248)
After signing NZAOA		-1.242 (0.877)	1.094** (0.429)		0.834*** (0.209)	-2.255*** (0.536)	0.826 (1.019)
NZAOA member after signing NZAOA			-0.556 (0.597)		0.036 (0.280)	-0.320 (0.644)	-1.988 (1.546)
Issuer's industry in fossil fuel sectors		-1.309 (0.828)	-0.157 (0.350)		0.334** (0.137)	1.216** (0.574)	
Constant	0.643 (9.425)	3.141 (4.879)	2.688 (4.631)	13.701 (13.387)	0.035 (2.025)	2.457 (3.917)	1.857 (13.391)
Observations	43	372	228	31	1,140	314	44
Pseudo R-squared	0.0172	0.0382	0.0419	0.0654	0.0347	0.149	0.0757
Log-likelihood	-28.36	-153.2	-147.3	-18.84	-701.8	-153.5	-2713

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.

Table 7: Difference-in-difference regression for the resolution details of meetings that are relating to changing companies' business model (from May 2010 to June 2021)

Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Model 31 Difference in difference
Log AUM	-0.098*** (0.029)
NZAOA member	-0.166 (0.153)
After signing NZAOA	0.181 (0.112)
NZAOA member after signing NZAOA	-0.101 (0.217)
Issuer's industry in fossil fuel sectors	0.611*** (0.100)
Constant	2.047*** (0.703)
Observations	2,681
Pseudo R-squared	0.0254
Log-likelihood	-1810

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 8: Difference-in-difference regression for the subsample and for resolution details of meetings that are relating to changing companies' business model (from May 2010 to June 2021)

Dependent variable: "For" vote dummy (1=for; 0=otherwise)	Model 32 Difference in difference
Log AUM	-0.216** (0.094)
NZAOA member	0.322 (0.212)
After signing NZAOA	0.751*** (0.253)
NZAOA member after signing NZAOA	-0.775** (0.327)
Issuer's industry in fossil fuel sectors	0.773*** (0.177)
Constant	4.512** (2.294)
Observations	879
Pseudo R-squared	0.0414
Log-likelihood	-580.3

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.

# Appendix 4. Descriptive Statistics

## a. Descriptive statistics of the final dataset on climate-related voting

Table 1: After vs. Before votes of matched NZAOA members on climate-related resolutions (comparison of the counts of for, against, and other votes by NZAOA members before and after the member date of each NZAOA member)

Asset owner	NZAOA member date	Votes after NZAOA member dates	% of for votes	% of against votes	% of others votes	% difference before vs after For votes	% difference before vs after Against votes	% difference before vs after Others votes
Allianz Global Investors	23/09/2019	85	65%	31%	5%	5%	-6%	2%
AMF	23/09/2019	26	88%	12%	0%	-12%	12%	0%
Aviva Investors	27/11/2019	60	80%	15%	5%	7%	-8%	1%
AXA Investment Managers	27/11/2019	67	69%	30%	1%	10%	-11%	1%
California Public Employees' Retirement System (CalPERS)	23/09/2019	84	61%	38%	1%	-11%	11%	1%
P+ (DIP/JOEP)	19/11/2020	9	78%	22%	0%	24%	-24%	0%
Pensionskassernes Administration (PKA)	11/05/2020	60	73%	18%	8%	8%	-9%	1%
Storebrand Asset Management	23/09/2019	26	92%	8%	0%	48%	-48%	0%
Wespath Investment Management	20/03/2020	66	85%	15%	0%	-5%	5%	0%

Table 2: After vs. Before votes of matched PRI members on climate-related resolutions (comparison of the counts of for, against, and other votes by PRI members before and after the member date of their corresponding NZAOA member)

Asset owner	Corresponding NZAOA member date	Votes after NZAOA member dates	% of for votes	% of against votes	% of others votes	% difference before vs after For votes	% difference before vs after Against votes	% difference before vs after Others votes
Achmea	27/11/2019	33	70%	30%	0%	14%	-13%	-2%
AP Pension	19/11/2020	27	89%	11%	0%	89%	-89%	0%
Brunel Pension Partnership	27/11/2019	42	74%	26%	0%	44%	-40%	-4%
California State Teachers' Retirement System (CalSTRS)	23/09/2019	81	52%	48%	0%	15%	-15%	0%
Fjarde Ap-Fonden	23/09/2019	29	72%	28%	0%	13%	-1%	-11%
Ilmarinen Mutual Pension Insurance Company	23/09/2019	1	0%	100%	0%	-50%	50%	0%
KLP Kapitalforvaltning	23/09/2019	41	93%	7%	0%	22%	-22%	0%
Mercy Investments	20/03/2020	58	86%	14%	0%	10%	-10%	0%
PenSam	11/05/2020	27	81%	19%	0%	44%	-44%	0%



Figure 1: How matched NZAOA and PRI members vote on climate-related issues over time (9 NZAOA members and their 9 PRI counterparts)

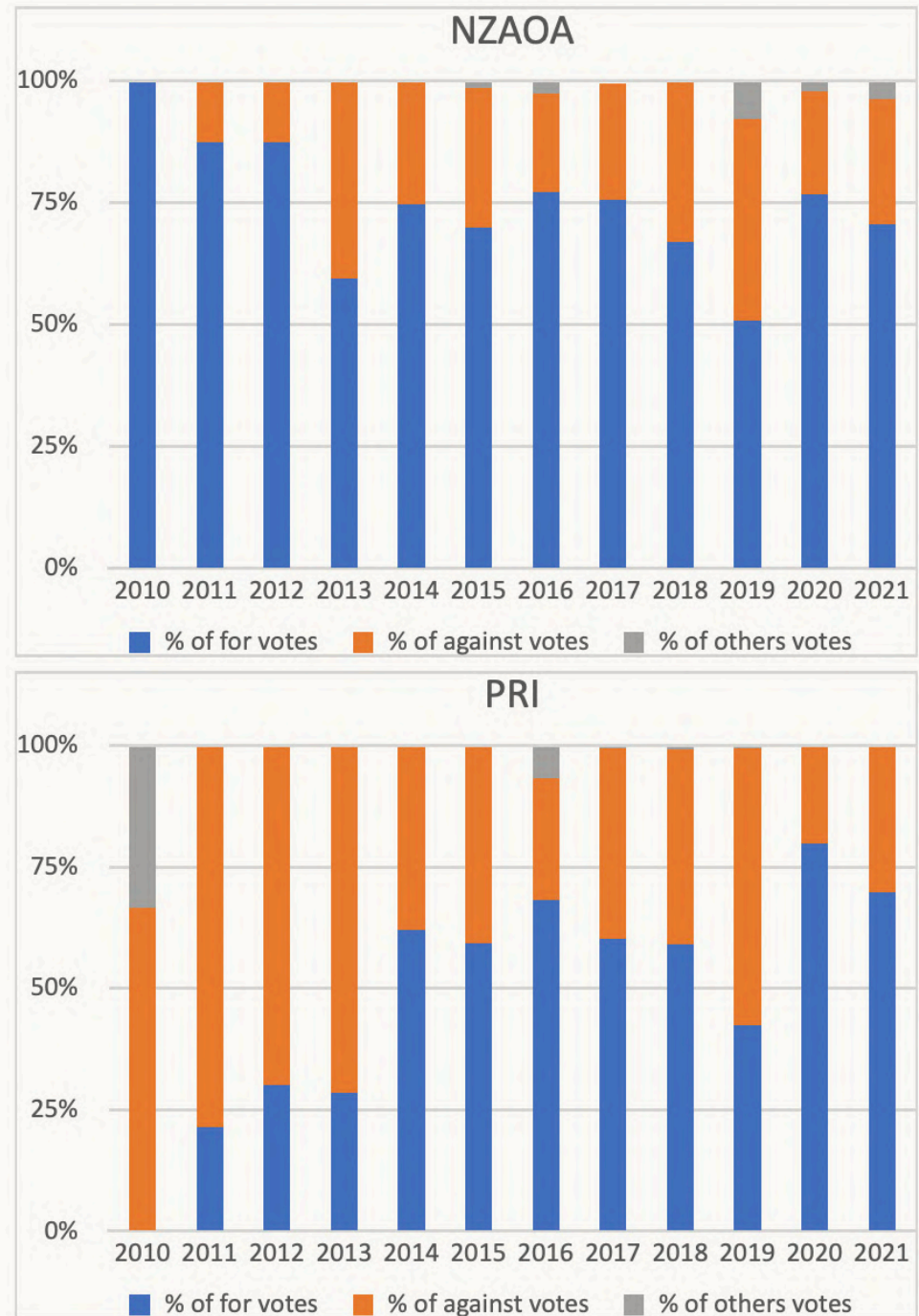
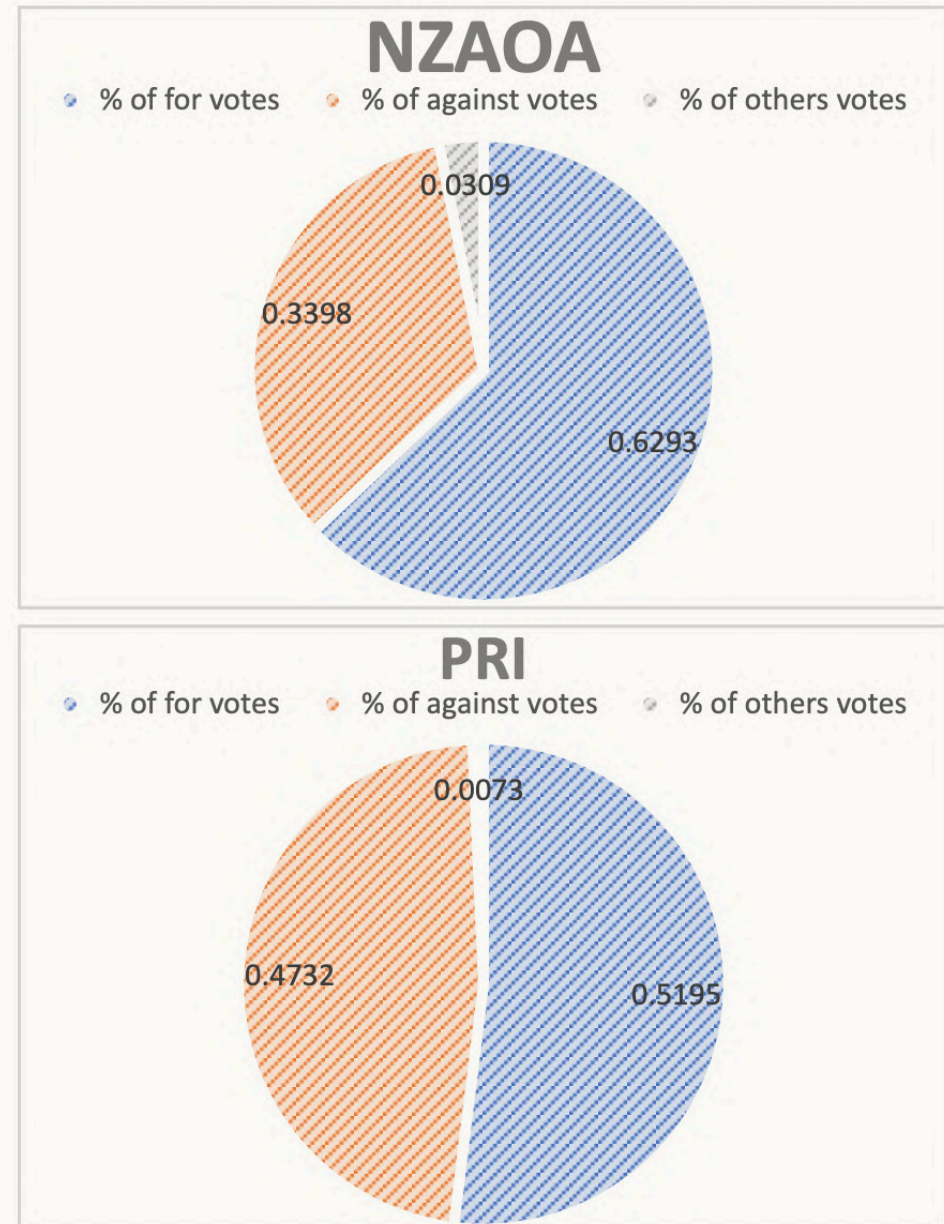
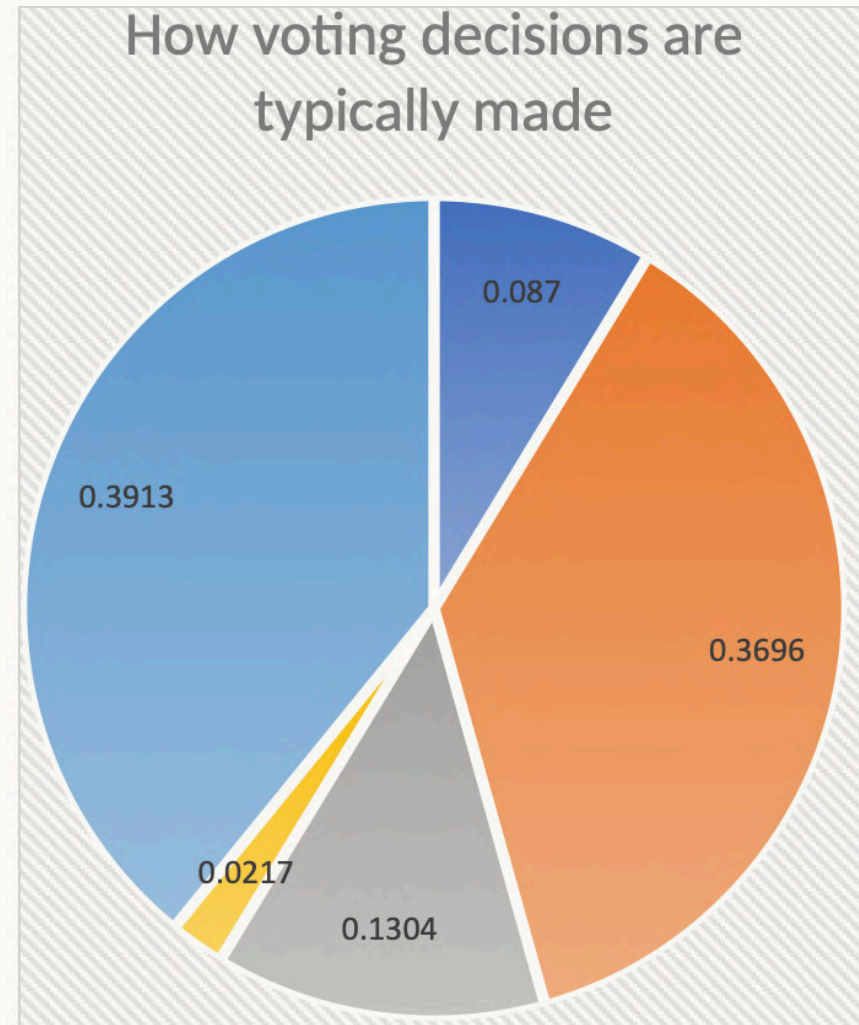


Figure 2: How matched NZAOA and PRI members vote on climate-related issues 2 years before NZAOA member dates (9 NZAOA members and their 9 PRI counterparts)



## b. Descriptive statistics from the asset owners' public reports for the reporting year 2020

Figure 3: How voting decisions are typically made (46 NZAOA members)



- Use own research/ voting team & make voting decisions
- Hire service providers who make voting recommendations &/ provide research we use to guide our voting
- Hire service providers who make voting decisions on our behalf, except in pre-defined scenarios (we review & make voting decisions)
- Hire service providers, make voting decisions on our behalf
- Not publicly available

Figure 4: Basis for voting decisions  
(46 NZAOA members)

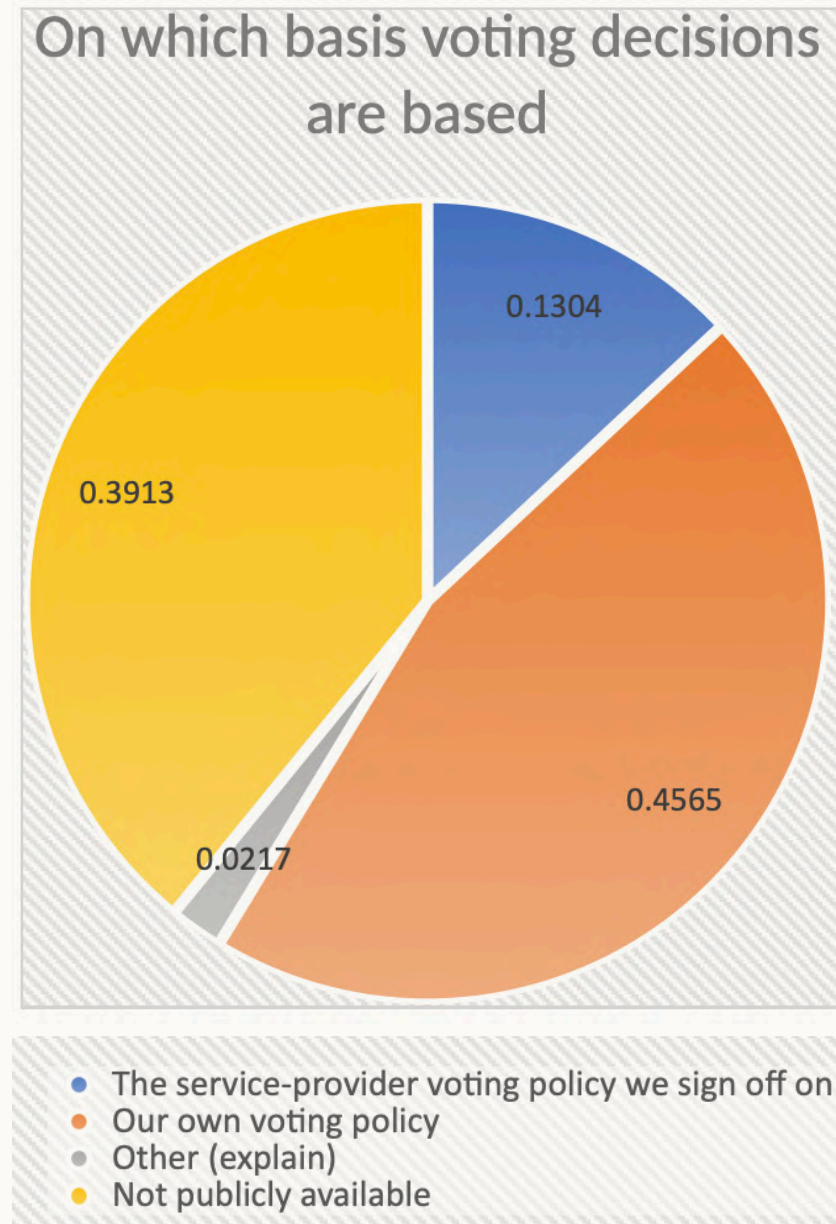


Figure 5: Of voting recommendations that the service provider made in reporting year, indicate % reviewed by the organisation (24 NZAOA members that report that they hire service providers)

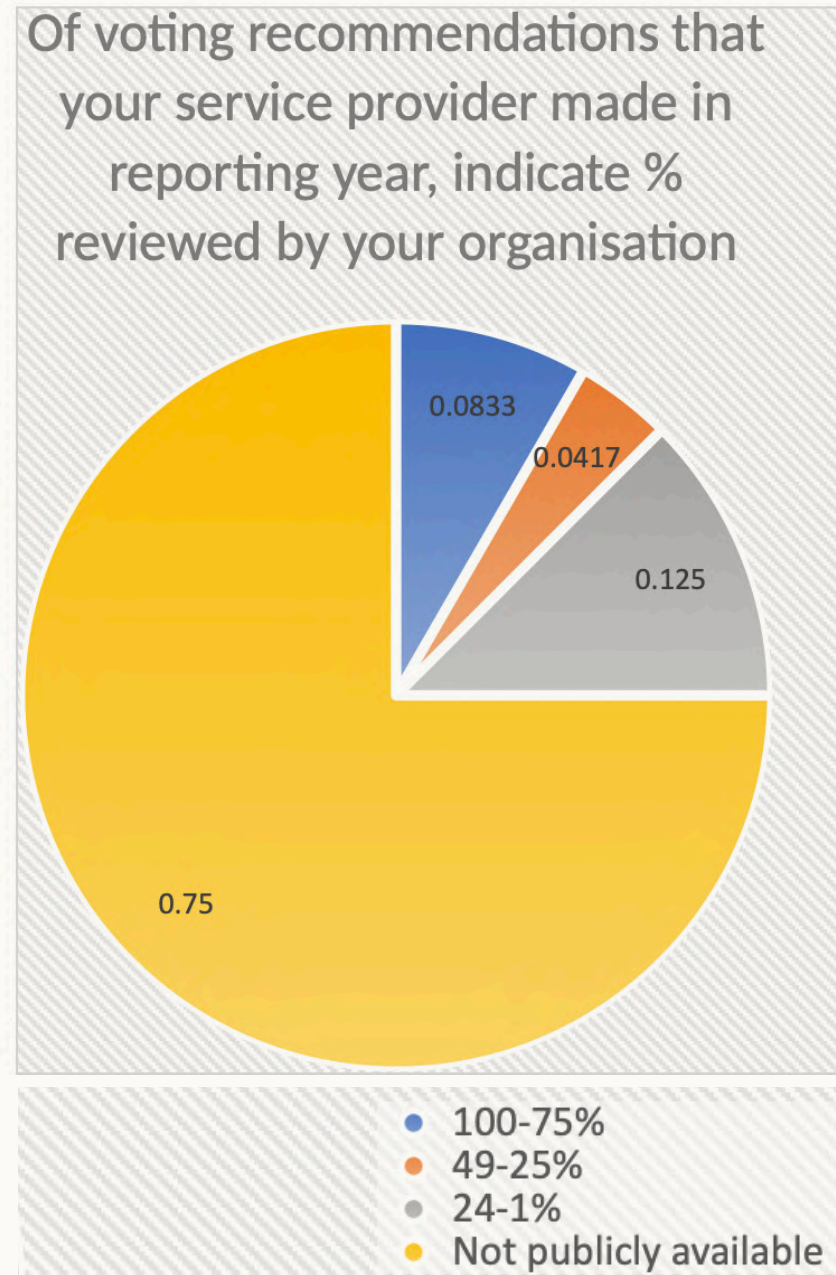


Figure 6: Reasons for reviewing votes made by service providers (6 NZAOA members that respond to the question in their public reports)

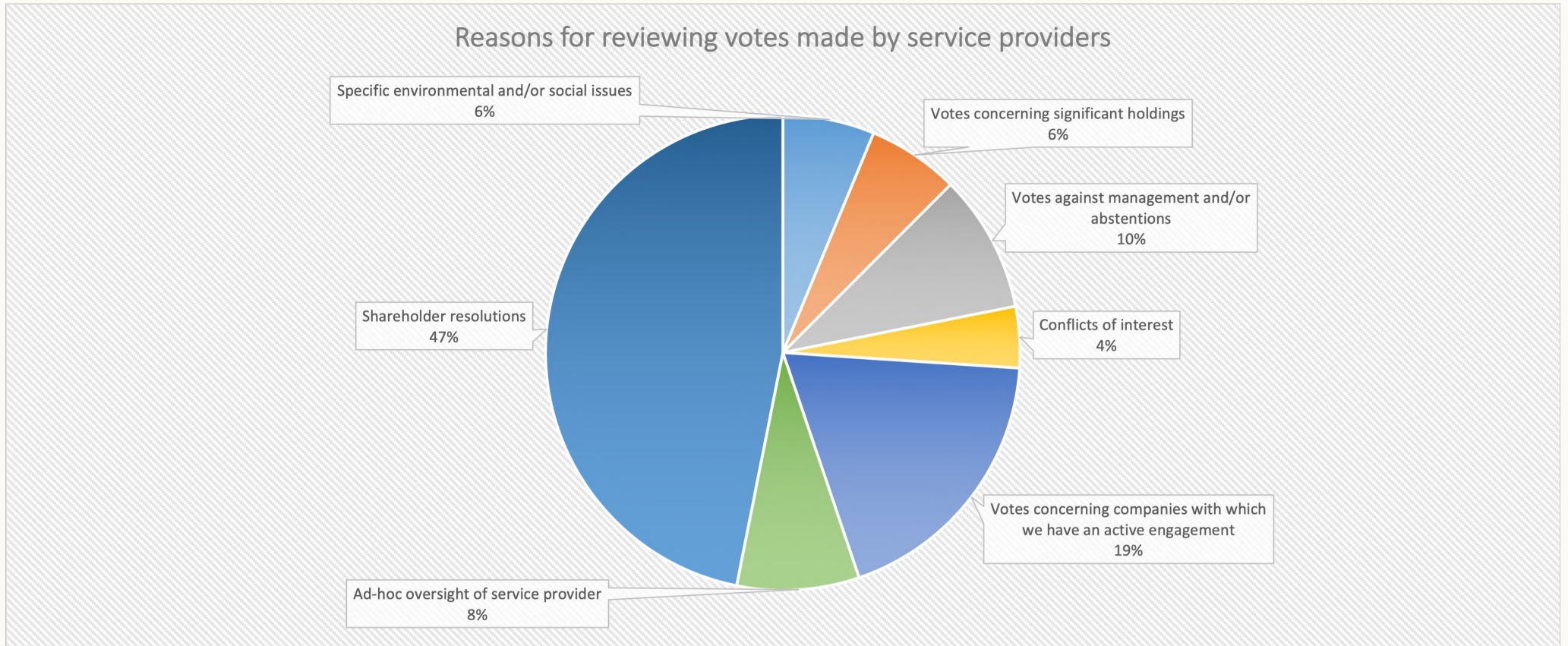


Figure 7: Proportion of asset owners that have securities lending programme (46 NZAOA members)

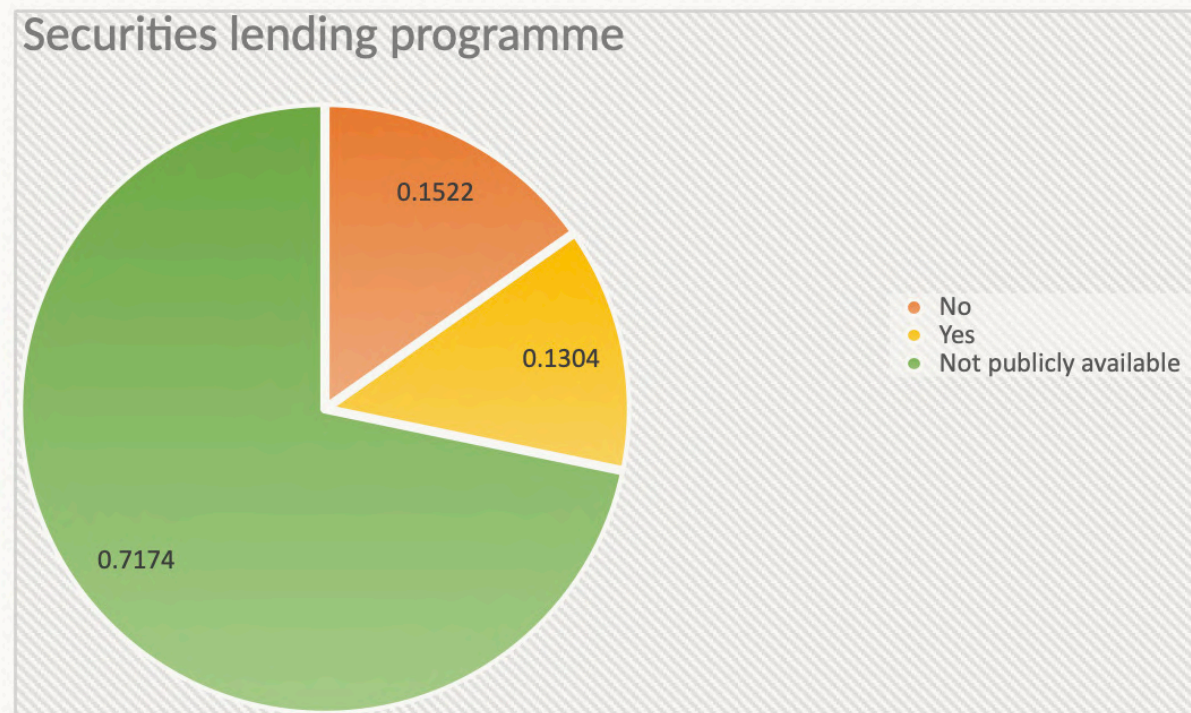


Figure 8: How is the issue of voting addressed in the securities lending program (6 NZAOA members that respond yes to the previous question)

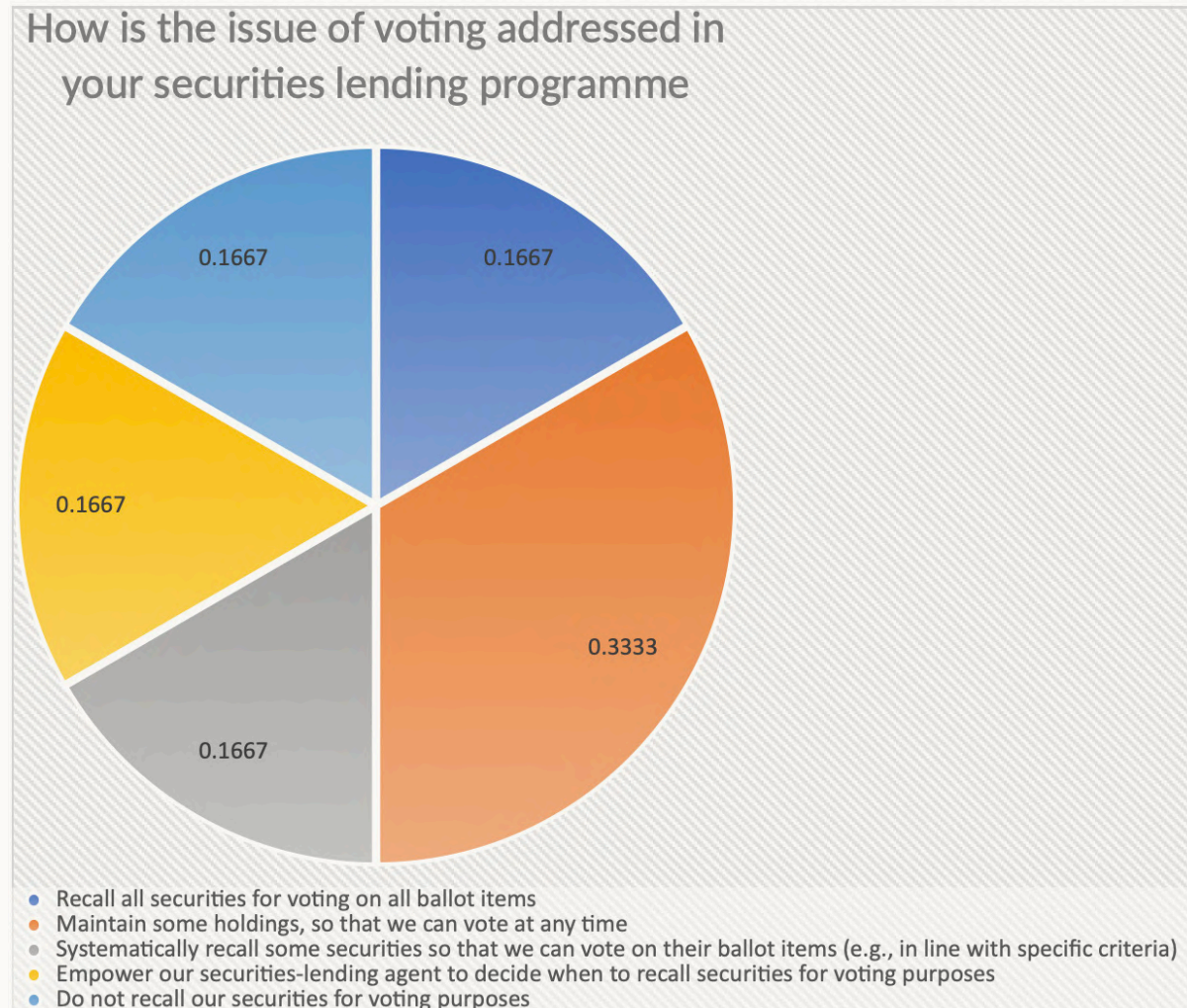




Figure 9: Proportion of votes participated in within the reporting year in which where the asset owner/ its service providers acting on its behalf raised concerns with companies ahead of voting (46 NZAOA members)

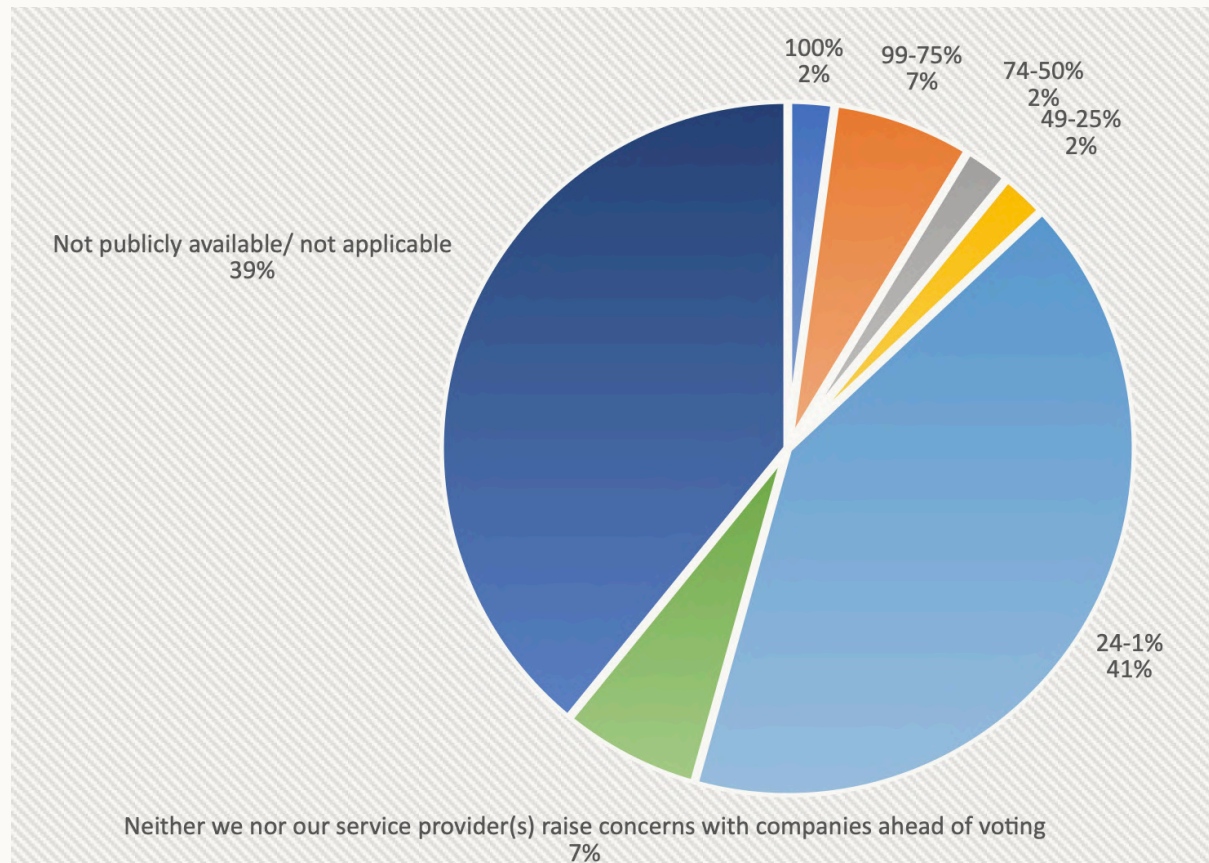


Figure 10: Reasons for raising your concerns with these companies ahead of voting (24 NZAOA members that report that they raise concerns with companies before voting – the previous question)

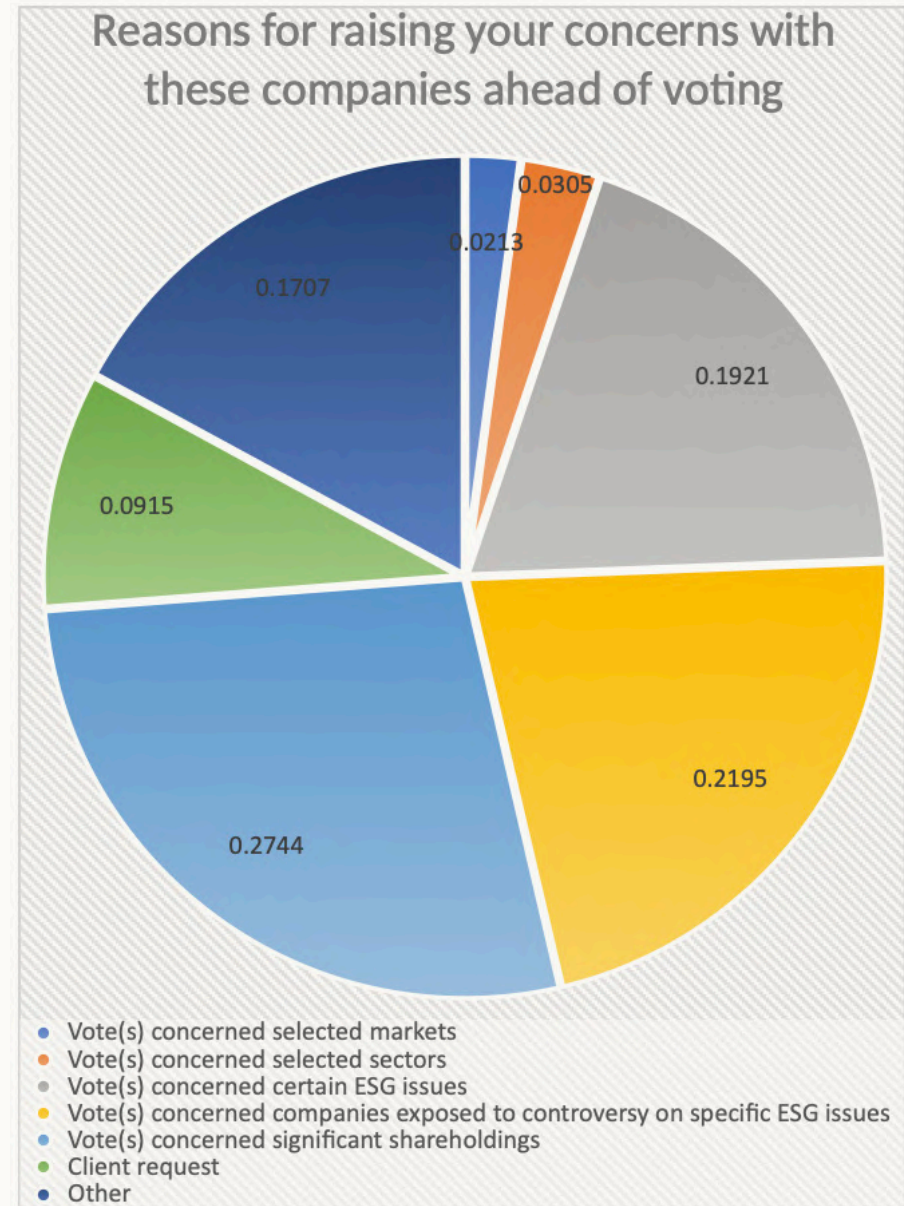


Figure 11: Proportion of votes where the asset owner and/or service provider(s) acting on its behalf, communicated the rationale to companies for abstaining/ voting against management recommendations (46 NZAOA members)

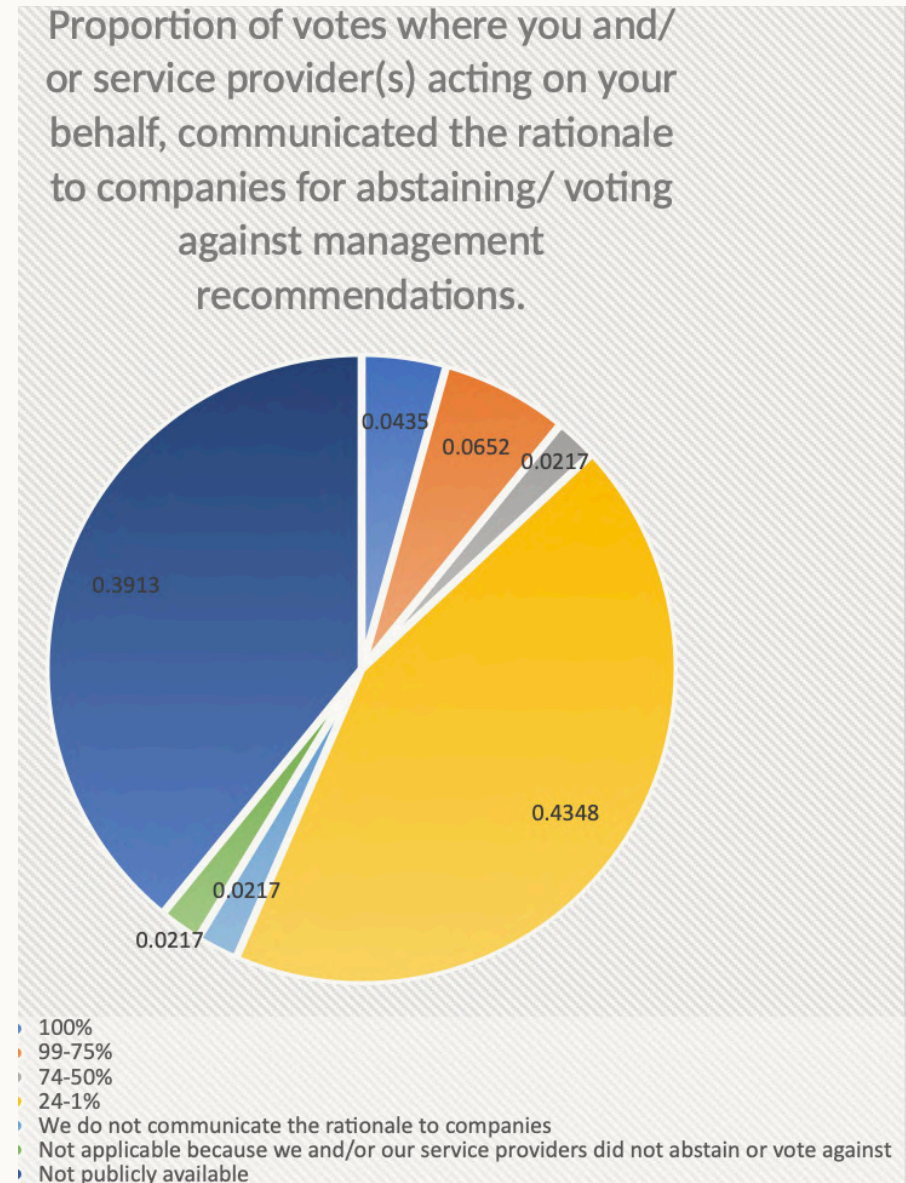


Figure 12: Reasons why the asset owner/ service provider acting on its behalf would communicate to companies, the rationale for abstaining / voting against management recommendations (24 NZAOA members that report that they communicate the rationale for abstaining/ voting against management recommendations – the previous question)

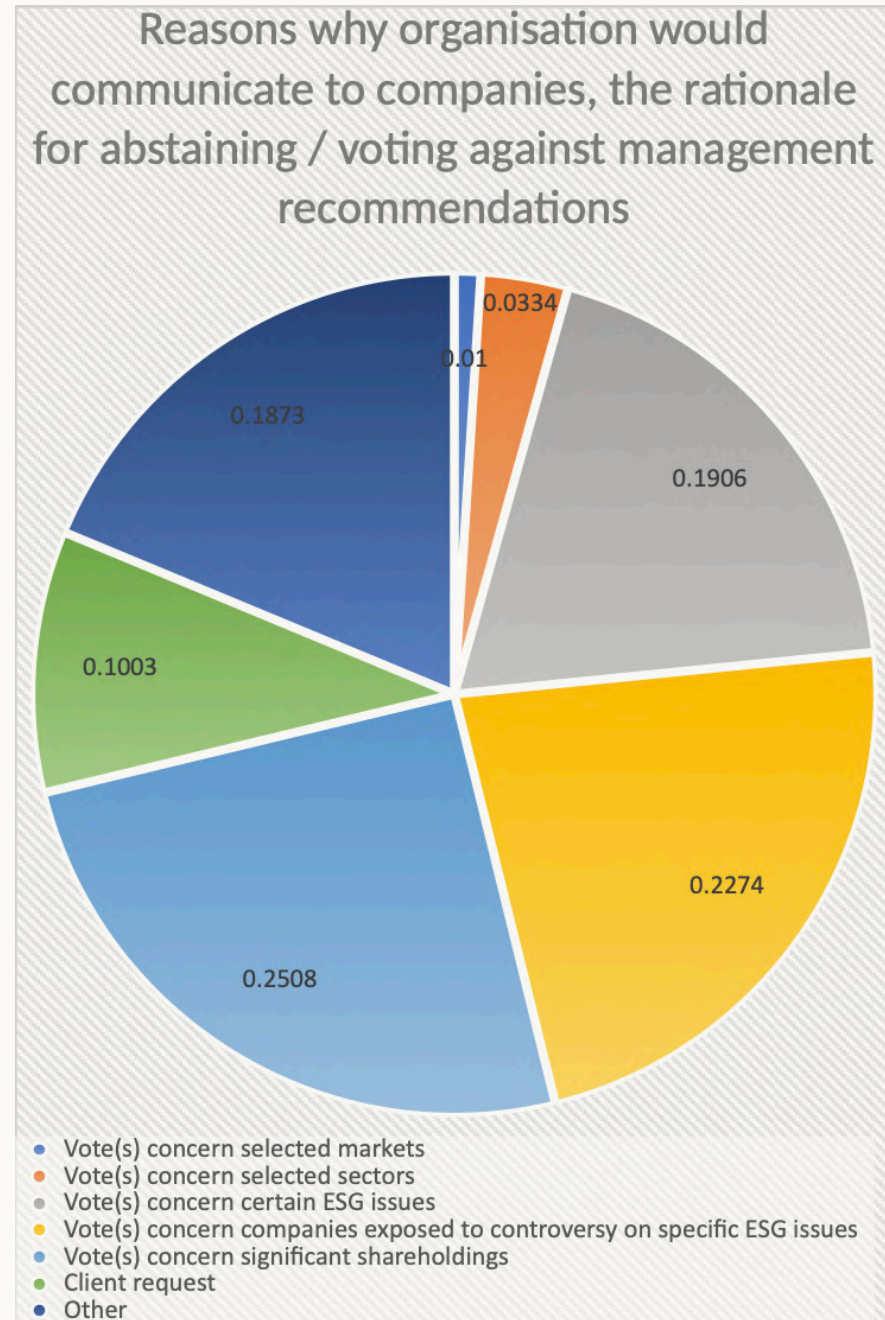


Figure 13: In cases where the asset owner/ service provider acting on its behalf does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public (24 NZAOA members that report that they communicate the rationale for abstaining/ voting against management recommendations)

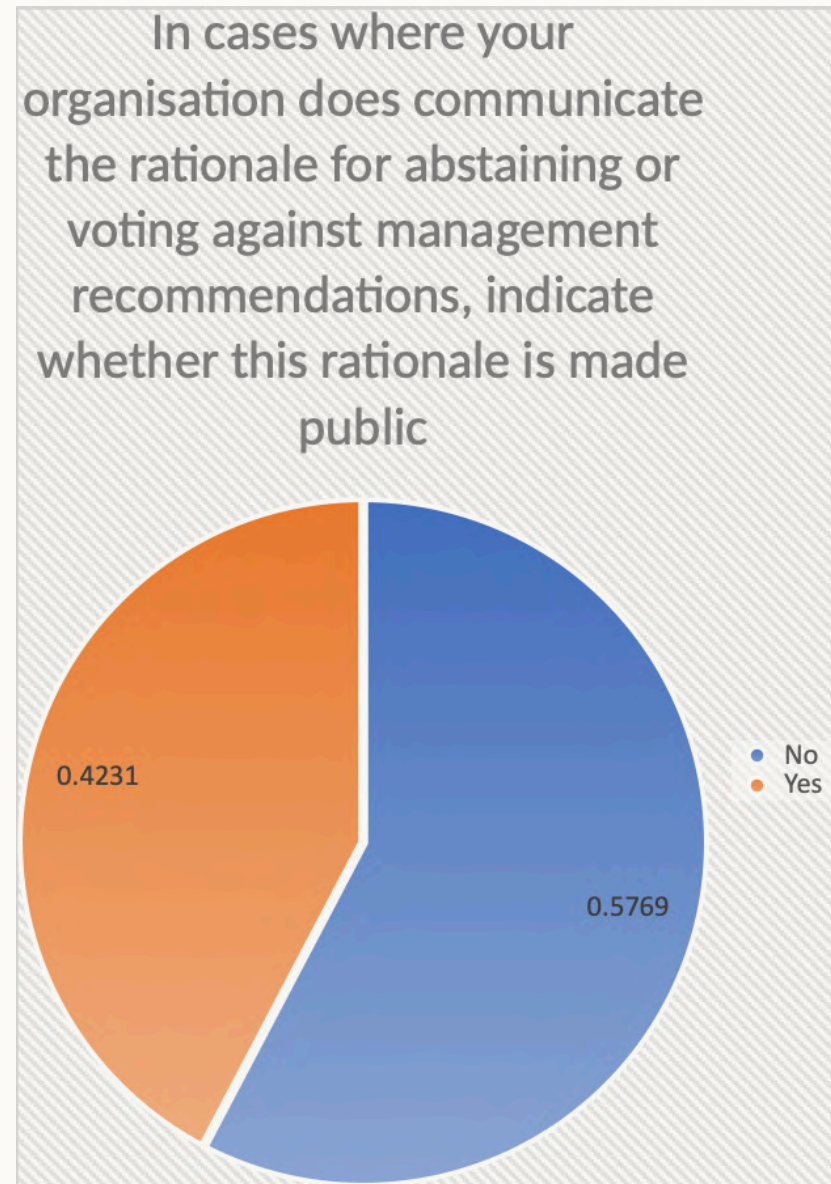


Figure 14: For listed equities in which the asset owner/ service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year (46 NZAOA members)

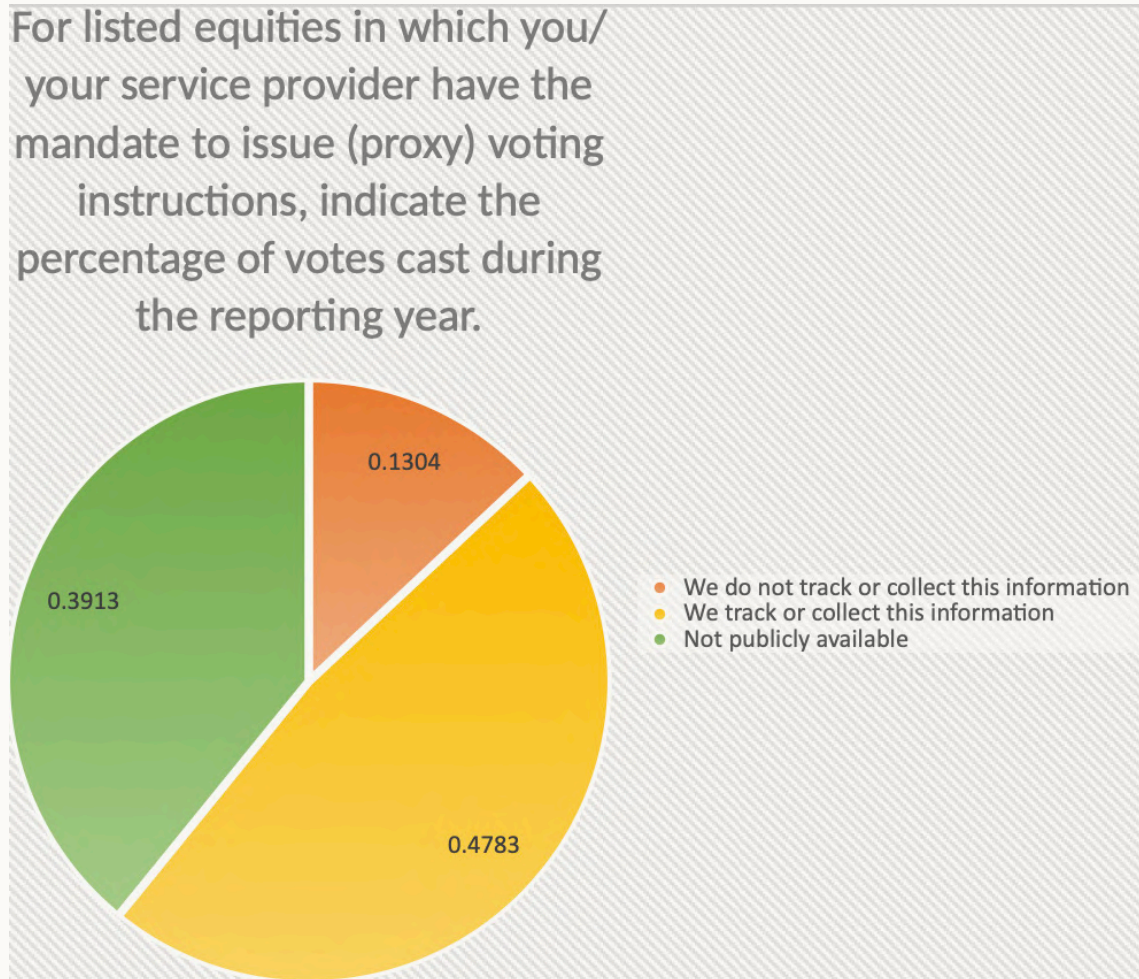


Figure 15: For listed equities in which the asset owner/ your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year (26 NZAOA members that respond yes to the previous question)

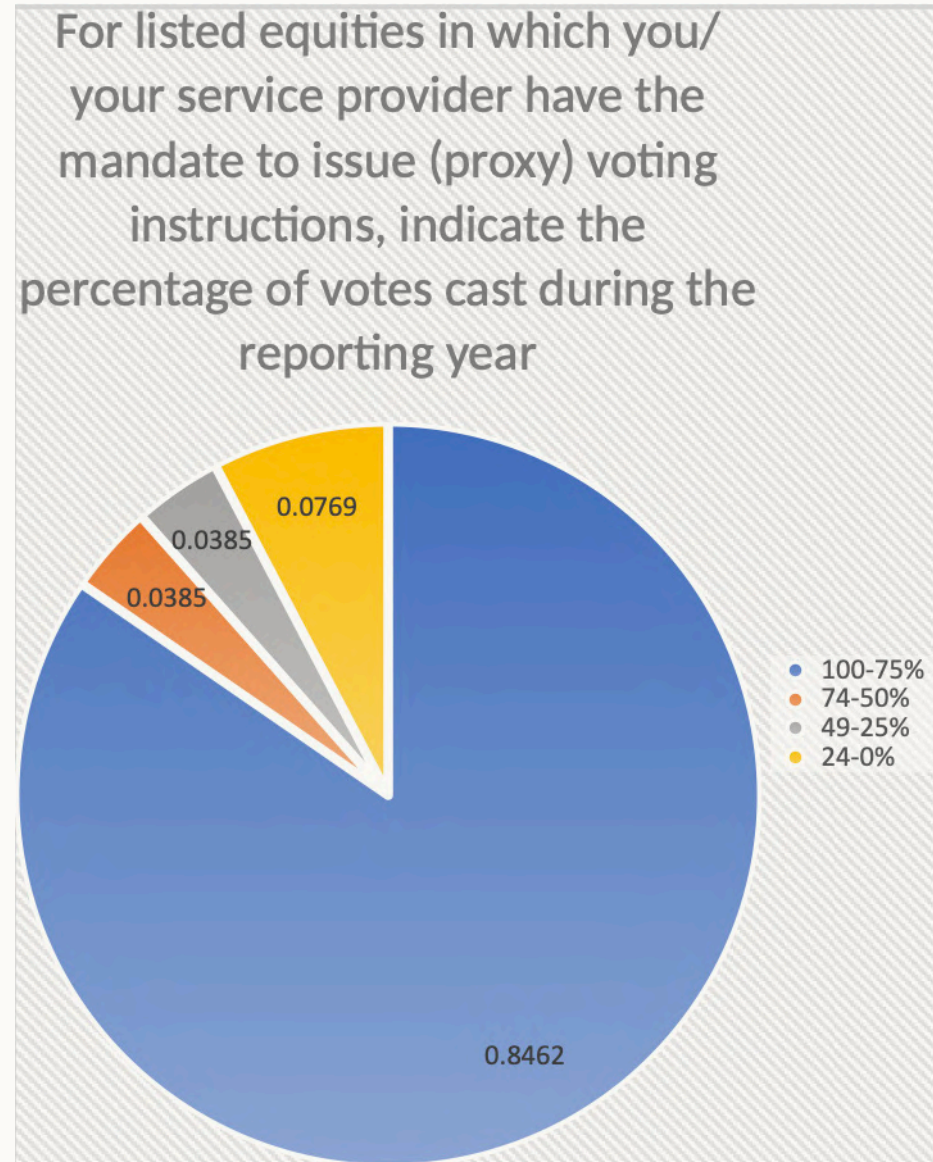


Figure 16: Basis on which the votes cast are calculated (26 NZAOA members that respond yes to the previous question)

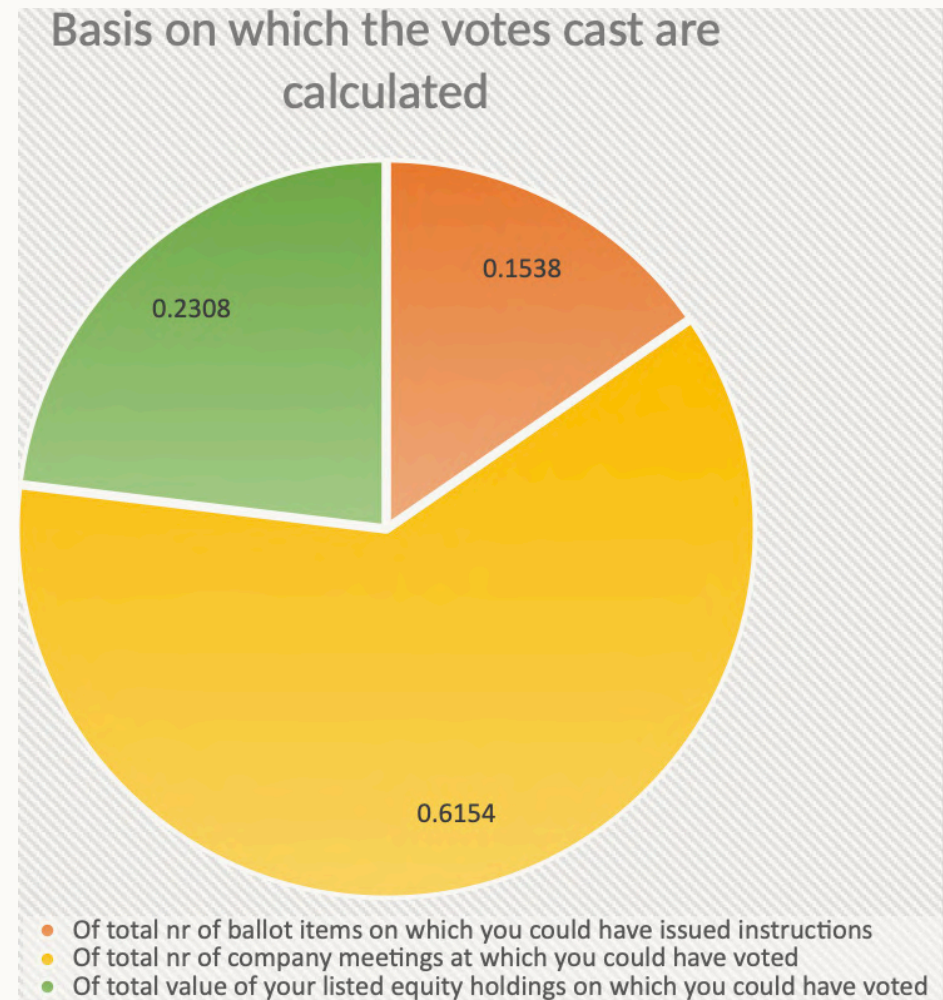




Figure 17: Reasons for not voting on certain holdings (20 NZAOA members that respond to the question)

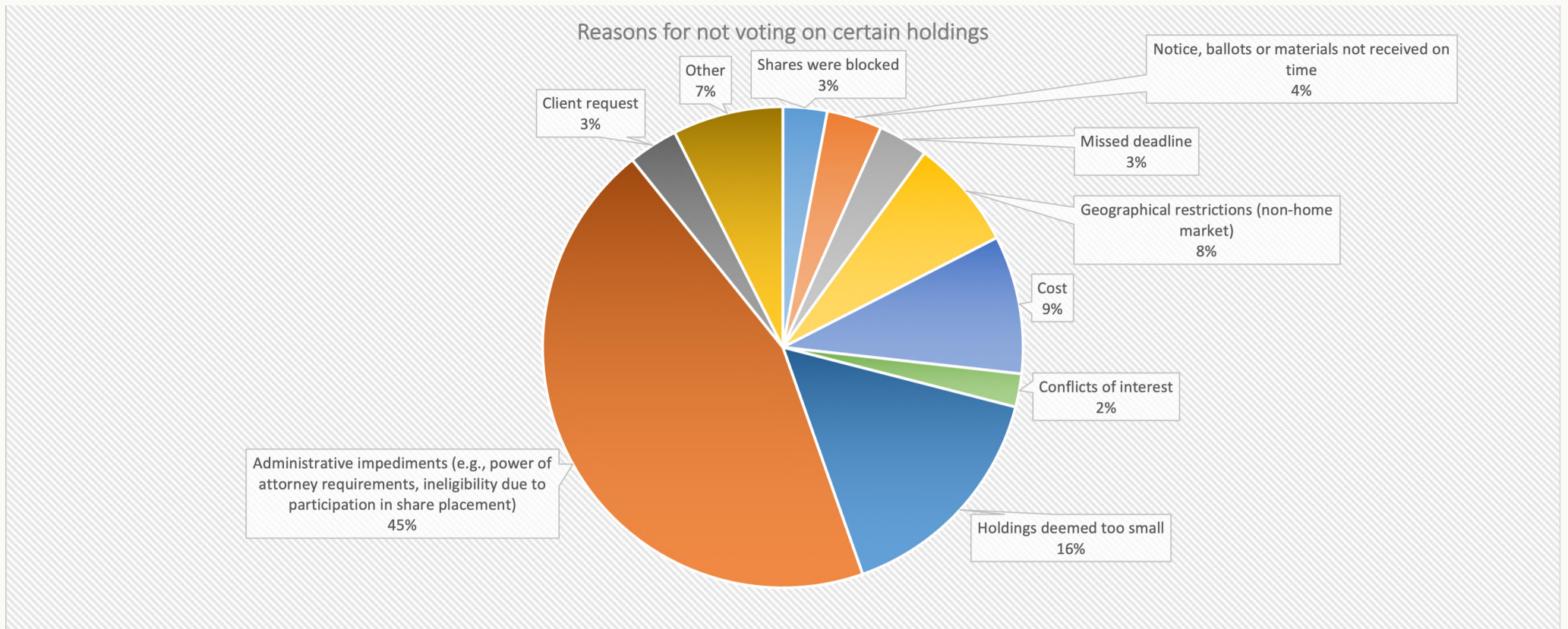


Figure 18: Indicate whether the asset owner tracks the voting instructions that it or its service provider has issued (46 NZAOA members)

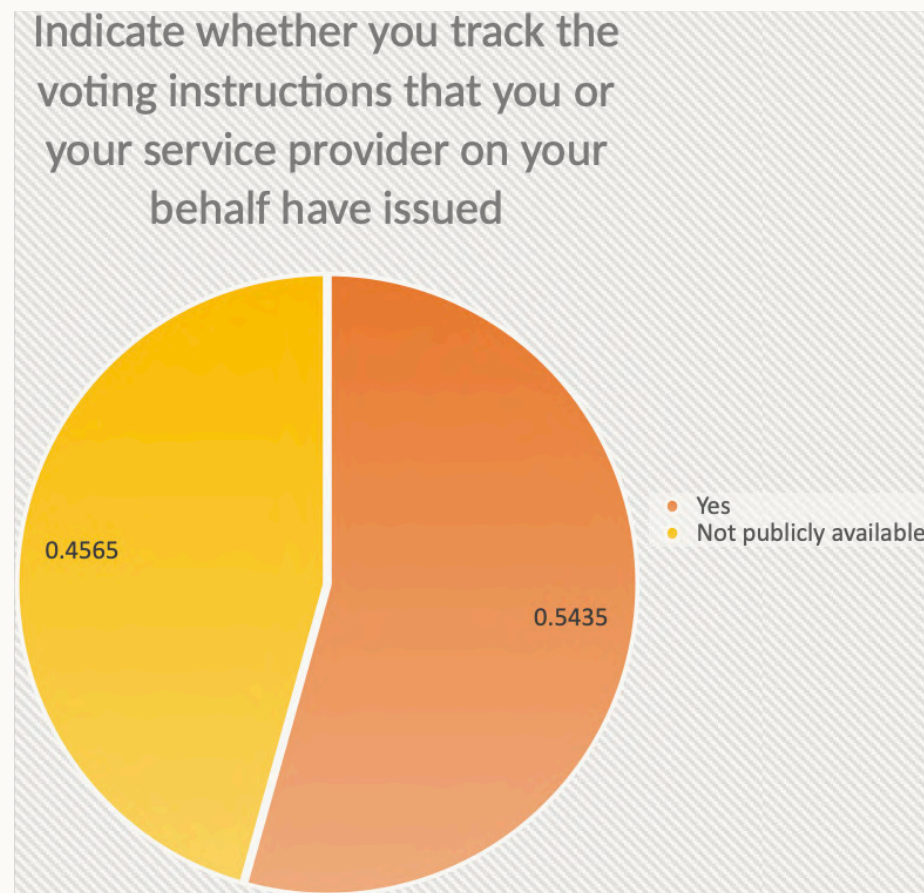


Figure 19: Of the voting instructions that the asset owner and/ its 3rd parties on behalf have issued, indicate % of ballot items that were (24 NZAOA members that respond to the question)

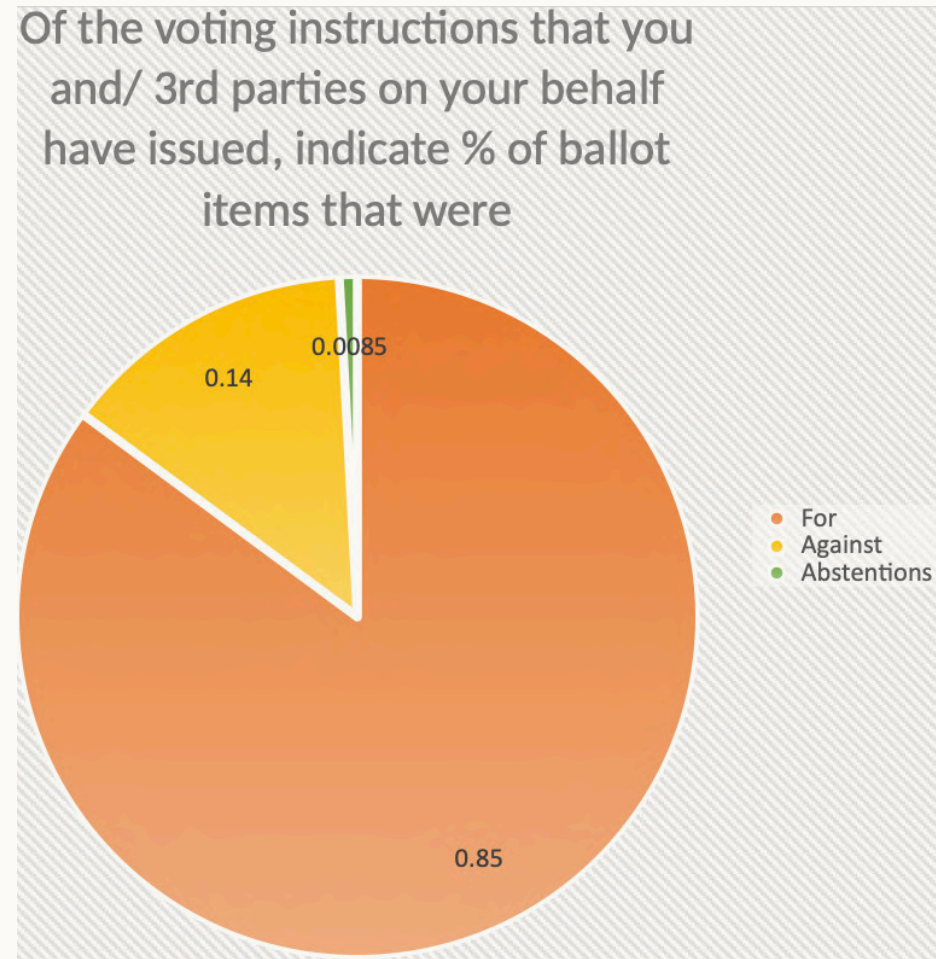


Figure 20: In cases where the asset owner voted against management recommendations, indicate % of companies which it has engaged (25 NZAOA members that report that they have voted against in the previous question)



Figure 21: Indicate whether the asset owner has a formal escalation strategy following unsuccessful voting (46 NZAOA members)

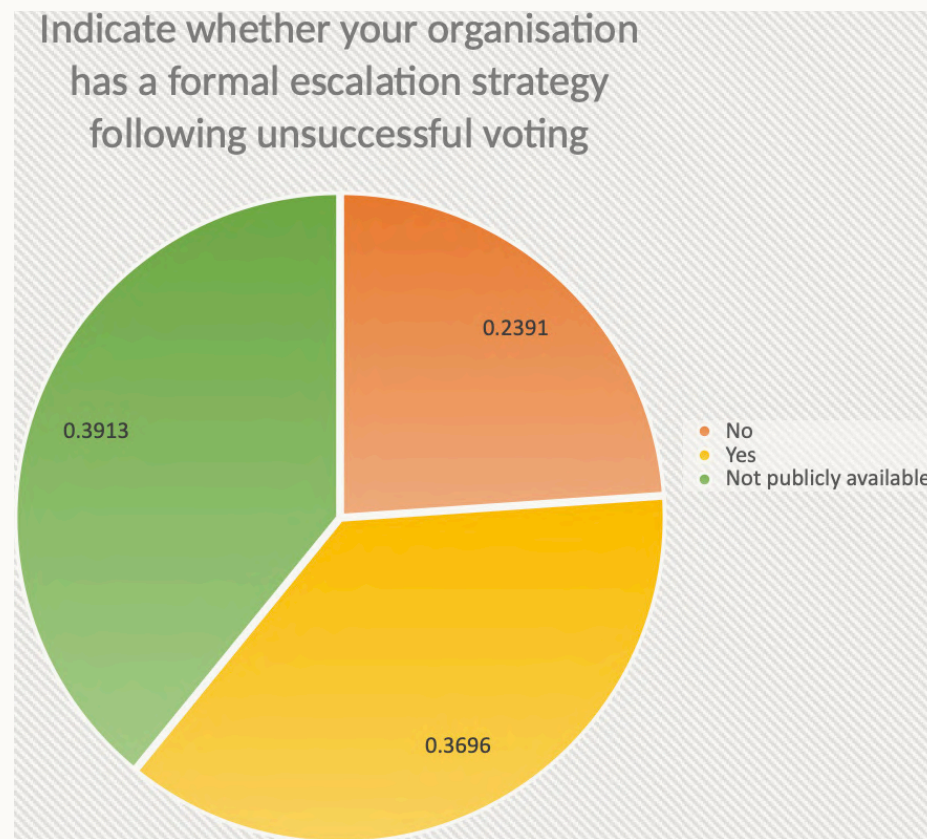


Figure 22: Indicate the escalation strategies used following abstentions and/or votes against management (17 NZAOA members that report that they have escalation strategies following abstentions and/ or votes against management)

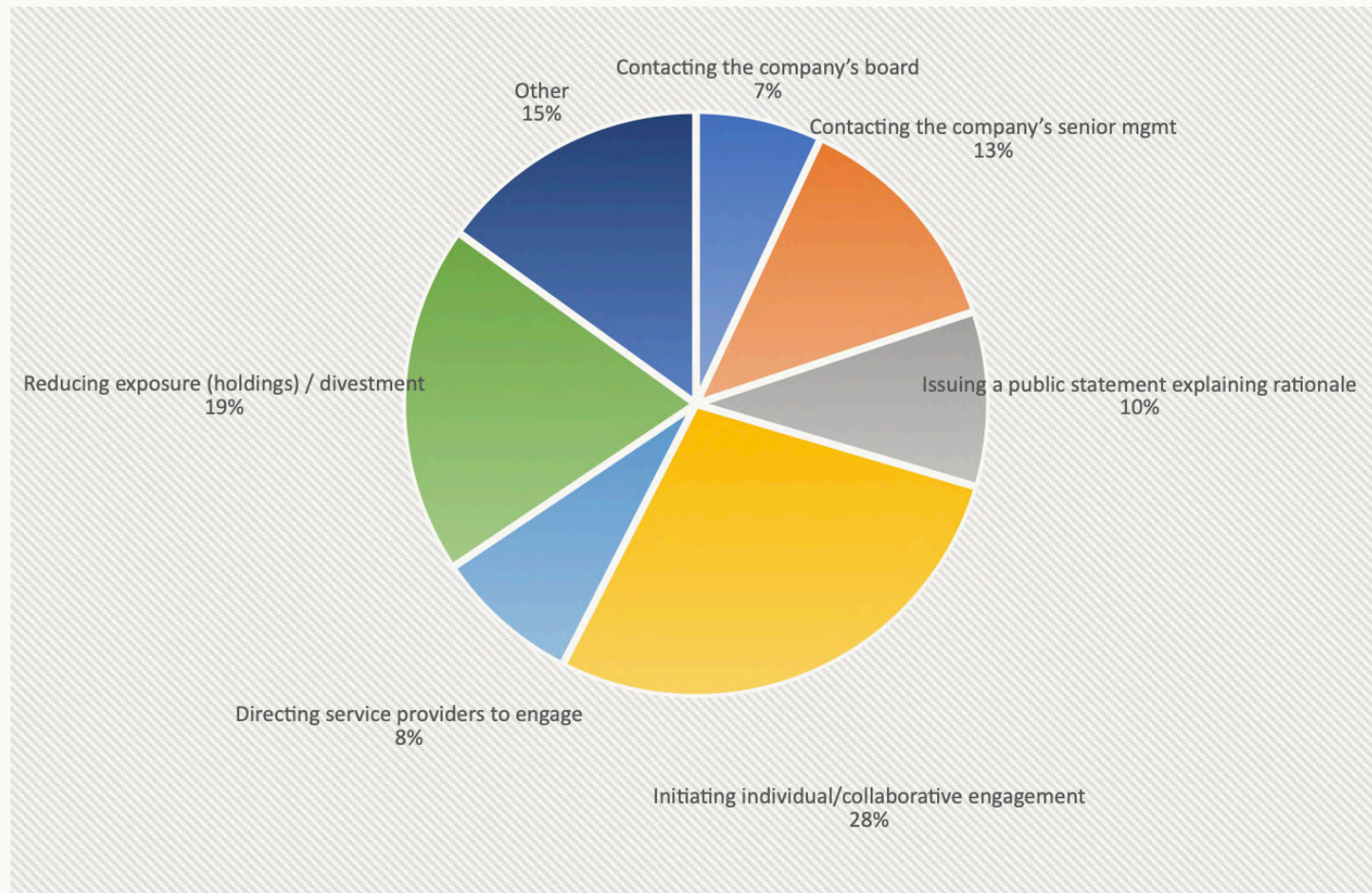


Figure 23: Indicate if the asset owner, directly/ through service provider, filed or co-filed any ESG shareholder resolutions during the reporting year (46 NZAOA members)

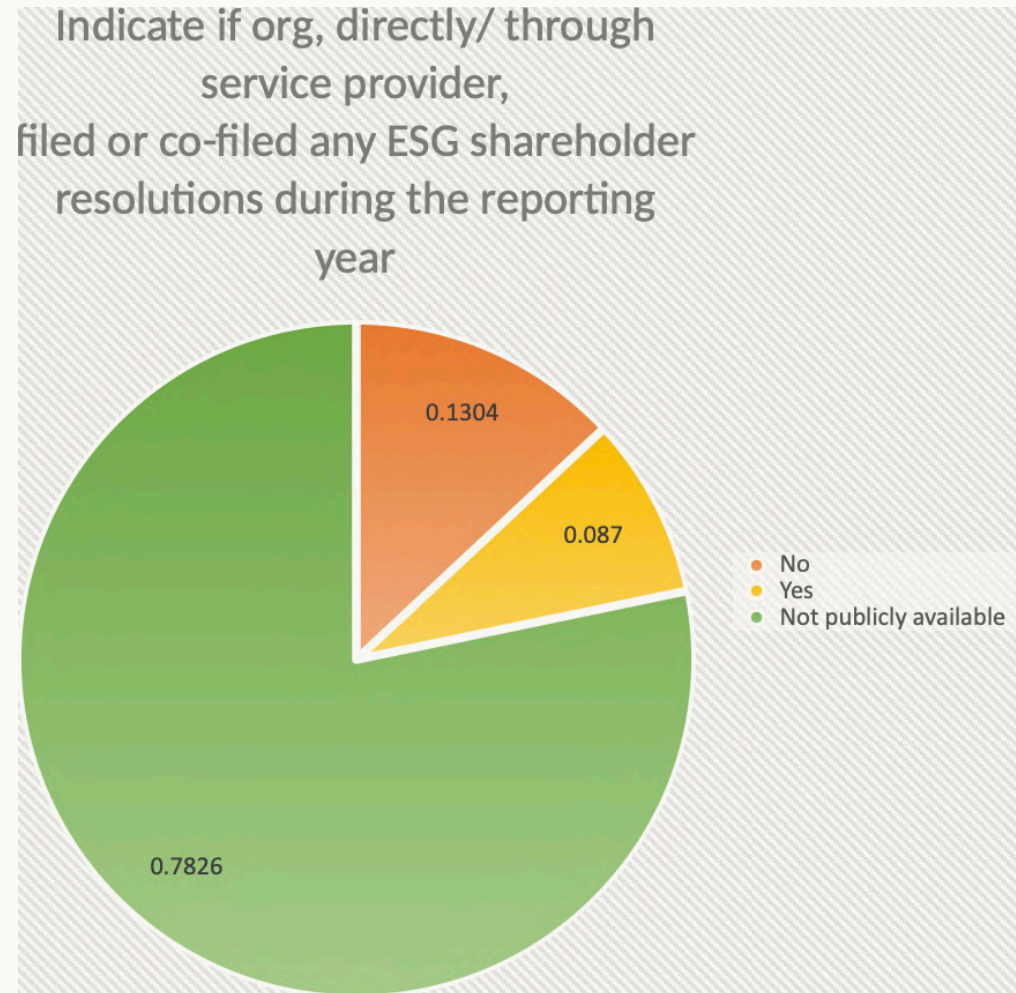


Figure 24: Indicate what percentage of these ESG shareholder resolutions resulted in the following (4 NZAOA members that respond to the question)

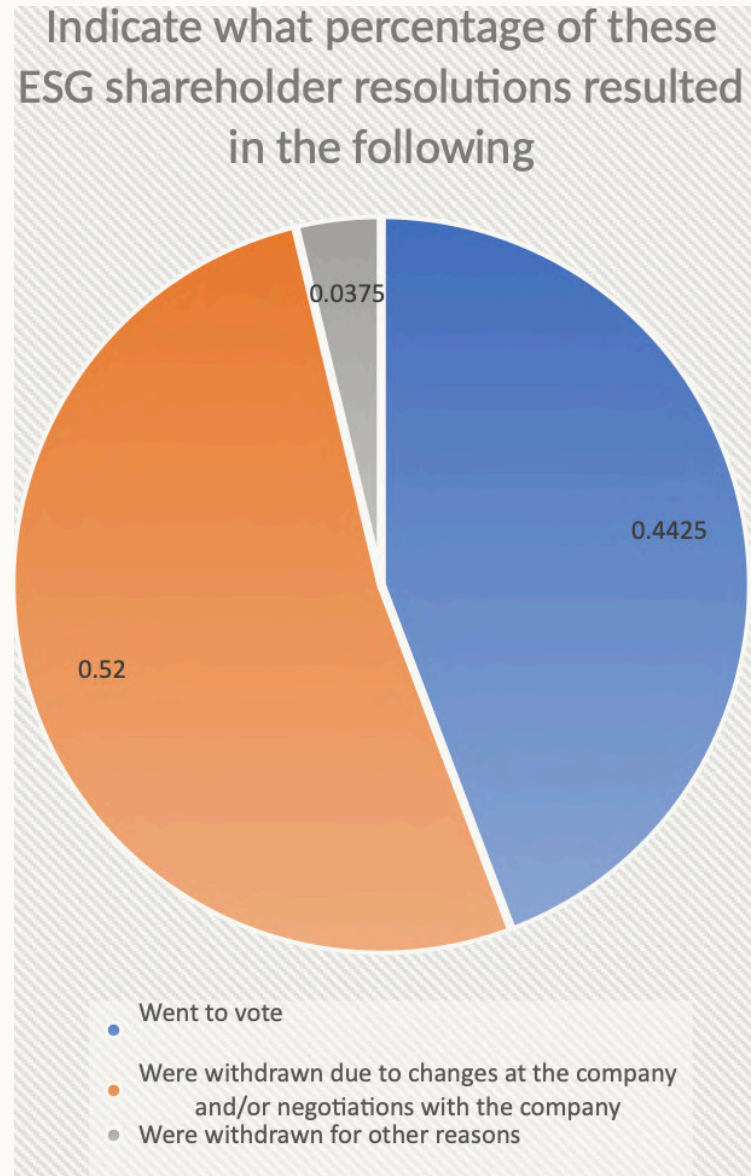




Figure 25: Provide ESG of (proxy) voting activities  
(9 NZAOA members that respond to the question)

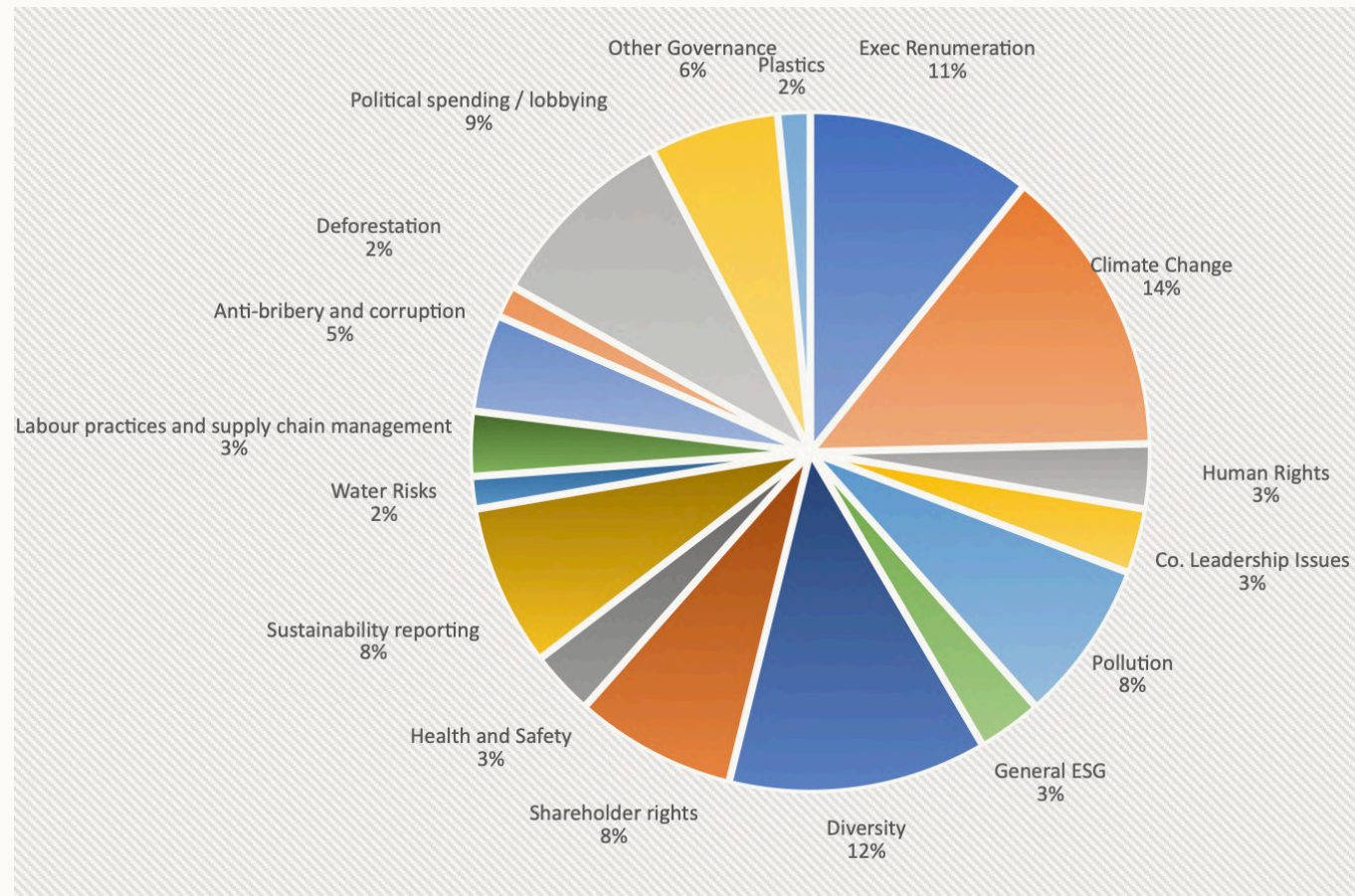
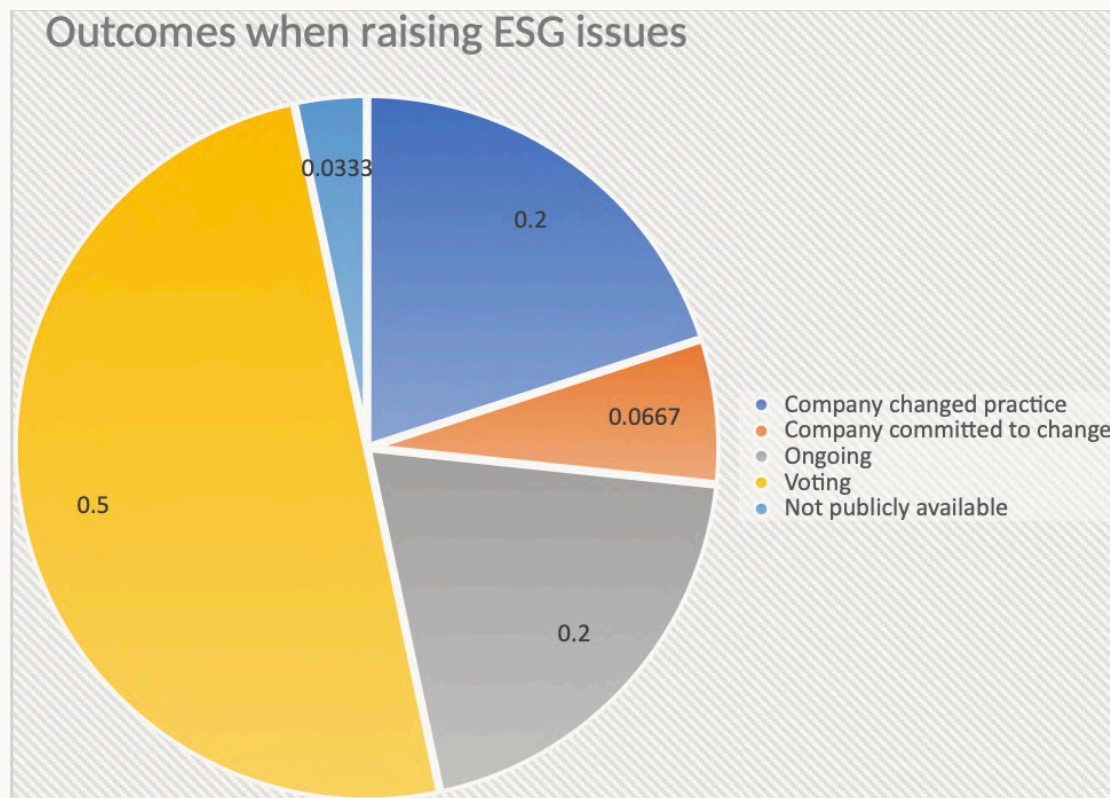


Figure 27: Outcomes when ESG issues are raised (9 NZAOA members that respond to the previous question)



# Contact

## For media/comms:

Jacey Bingler

Senior Communications Campaigner

[jacey.bingler@sunriseproject.org](mailto:jacey.bingler@sunriseproject.org)

## For report content:

Minyoung Shin

Sustainable Finance Strategist

[minnie.shin@sunriseproject.org](mailto:minnie.shin@sunriseproject.org)