



Mon., Dec. 20, 2021  
For Immediate Release

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## Investment Management Titans Finally Come to the Table on Corporate Political Disclosure

### BlackRock, Vanguard Contribute to Record Large Investor Support

#### *2021 PROXY SEASON ANALYSIS*

DECEMBER 20, 2021

**WASHINGTON** -- Support by the largest institutional investors for the Center for Political Accountability's corporate political disclosure resolution jumped to 83.5 percent in 2021, up from 75.7 percent in 2020 according to analysis based on shareholder voting data from Proxy Insight.<sup>1</sup> Support increased modestly from 2018 to 2019 (1.3 percentage point increase) but from 2019 to 2021 support from the largest investors increased by nearly 25 percent (16.6 percentage point increase from 66.9 percent support in 2019).

BlackRock and Vanguard, the two largest investment managers globally, both backed the CPA model proposal for the first time in the 2021 Proxy Season.<sup>2</sup> In 2021 BlackRock cast its proxies in support at six of 12 companies and Vanguard at three of 12 where the Center's resolution went to a vote.

State Street, the only member of the "Big Three" to support the CPA model proposal prior to 2021, supported the proposal 75 percent of the time, a significant increase from 45.5 percent support in 2020, and exceeding its prior record of 72.7 percent support in 2017.

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<sup>1</sup> Proxy Insight, an Insightia company.

<sup>2</sup> BlackRock supported a corporate election-related spending disclosure proposal at Cintas Corp. at an off-cycle October 2020 AGM; this report only covers proxy votes cast at AGMs through June 30 of each of the proxy seasons 2019-2021.

Six additional investors managing at least \$1 billion supported the proposal with increased frequency in 2021, including JPMorgan (12.9 percentage point increase), Capital Group (68.8 percentage point increase), BNY Mellon (8.3 percentage point increase), Northern Trust Investments (4.5 percentage point increase), Morgan Stanley Investment Management, Inc. (5.3 percentage point increase), and Norges Bank Investment Management (10.0 percentage point increase). See data/graphics tables below for the levels of support for the CPA resolution.

Of the 64 large investors, 35 supported 100 percent of the political spending resolutions while only two supported none (Goldman Sachs Asset Management and Dimensional Fund Advisors). Twenty three of the 64 investors increased their support from 2020 to 2021, while 16 decreased support. Of the 25 investors that had no change in support from 2020 to 2021, 23 supported the proposal at every opportunity in both 2020 and 2021 while the other two managers voted against the proposal at every opportunity in both proxy seasons. Since 2019, 43 of the funds increased their support for the political disclosure resolution while just nine decreased their support.

“The votes by the two largest institutional investors for political disclosure and accountability are a very important development. BlackRock and Vanguard are to be congratulated for recognizing that political disclosure and accountability is an essential element of risk management that is even more needed today given the heightened risks companies face from election-related spending,” said CPA President Bruce Freed.

“The increasing support by institutional investors for political disclosure and accountability resolutions sends a very strong message that they consider it material. This is especially important as companies adopt ESG policies. Political disclosure and accountability policies are essential for ensuring that companies are not undercutting their ESG policies and commitments – and putting them at risk – through their direct and indirect political spending.”

Eleven investors—American Century, Manulife Investment Management, Russell Investment Management Co., Capital Group, Voya Investment Management, BlackRock Inc., SSgA Funds Management, Inc. (State Street), Invesco Advisers, Inc., Vanguard Group, Inc., Invesco Capital Management LLC, and Pictet Asset Management Limited—increased their support by 20 percentage points or more from 2020. Managers with the largest increases in support were led by American Century, where support increased from 0 percent in 2020 to 91.7 percent in 2021; Manulife Investment Management support increased from

9.1 percent in 2020 to 100 percent support in 2021; and, Russell Investment Management increased its support from 0 percent in 2020 to 75 percent in 2021.

Average shareholder support for CPA's model resolution continued to rise in 2021, at 48.1 percent, up from 41.9 percent last year. Contrary to this upward trend, six investment managers decreased support for the model proposal by ten or more percentage points from 2020 to 2021: Delaware Management Company (Macquarie) (24.7 percentage point decrease), Federated Investment Management Co. (20.2 percentage point decrease), Jennison Associates LLC (16.7 percentage point decrease), SEI Investments Management Corp. (15.9 percentage point decrease), PGGM Investments (14.3 percentage point decrease), and Ontario Teachers' Pension Plan (OTPP) (12.5 percentage point decrease in support).

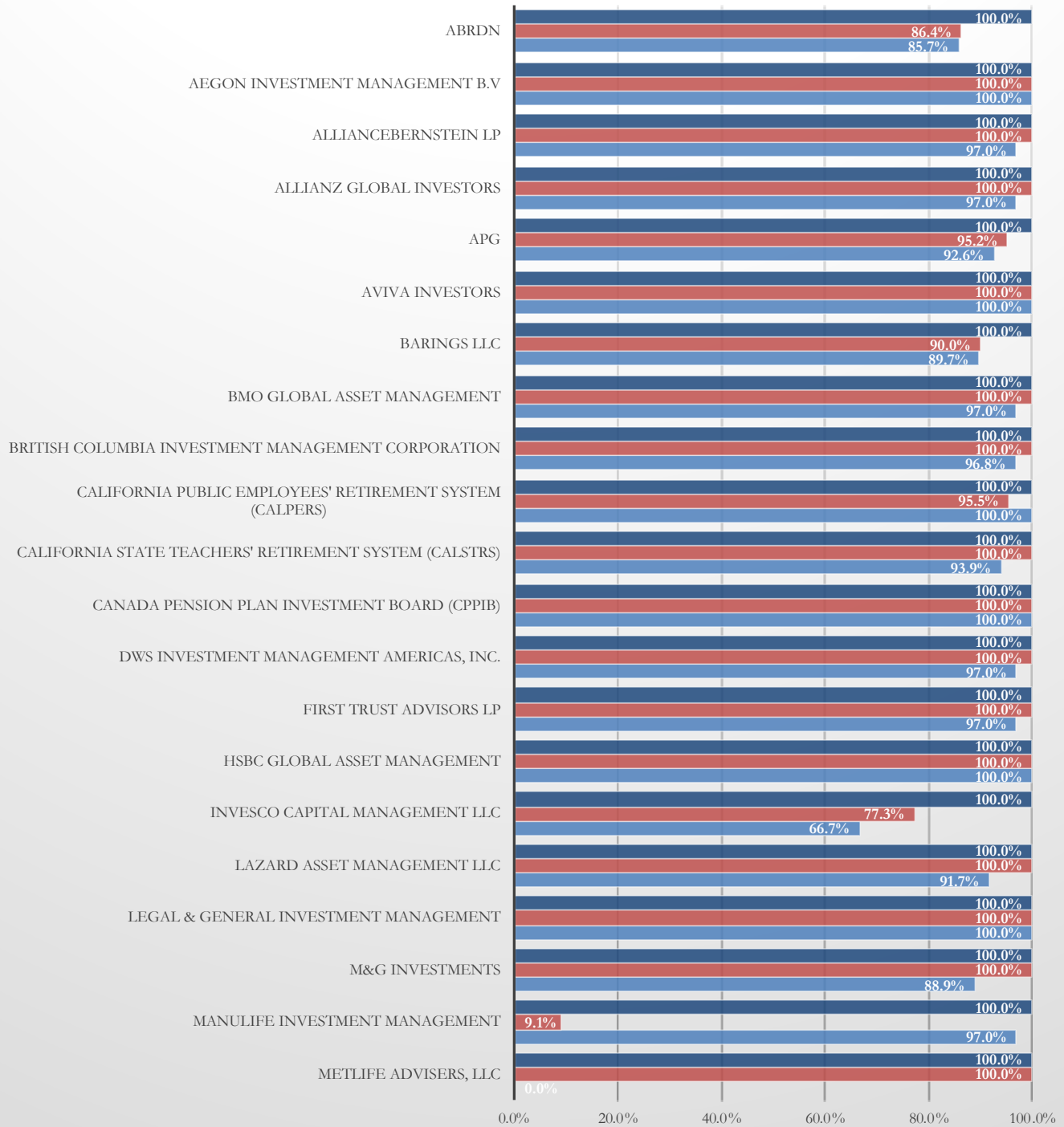
Proxy Insight examined 64 investors' votes across the 2019-2021 proxy seasons. The 64 investors identified were those in the Proxy Insight database that had cast votes on at least five CPA model-resolutions in each of the last three proxy seasons and were among the 100 largest investors by global assets under management. Their total global assets under management amount to over \$65 trillion.

Other notable findings include the following:

- The 23 investors increasing support this year averaged an 28.7 percentage point increase while the 18 investors that decreased support averaged a 10.3 percentage point decrease.
- Last year, 28 of the 64 investors supported 100 percent of the resolutions voted upon; in 2021, this figure increased to 35 investors. This means nearly 55 percent of the 100 largest asset managers that voted on the model proposal at least five times in each of the last three seasons supported the proposal at every single chance they had in 2021.
- Only two investors failed to support a single political spending disclosure resolution in 2021 compared with seven managers in 2020 and 12 in 2019.

# Largest Investor Support for CPA Model Resolution 2019-2021 (most to least supportive in 2021)

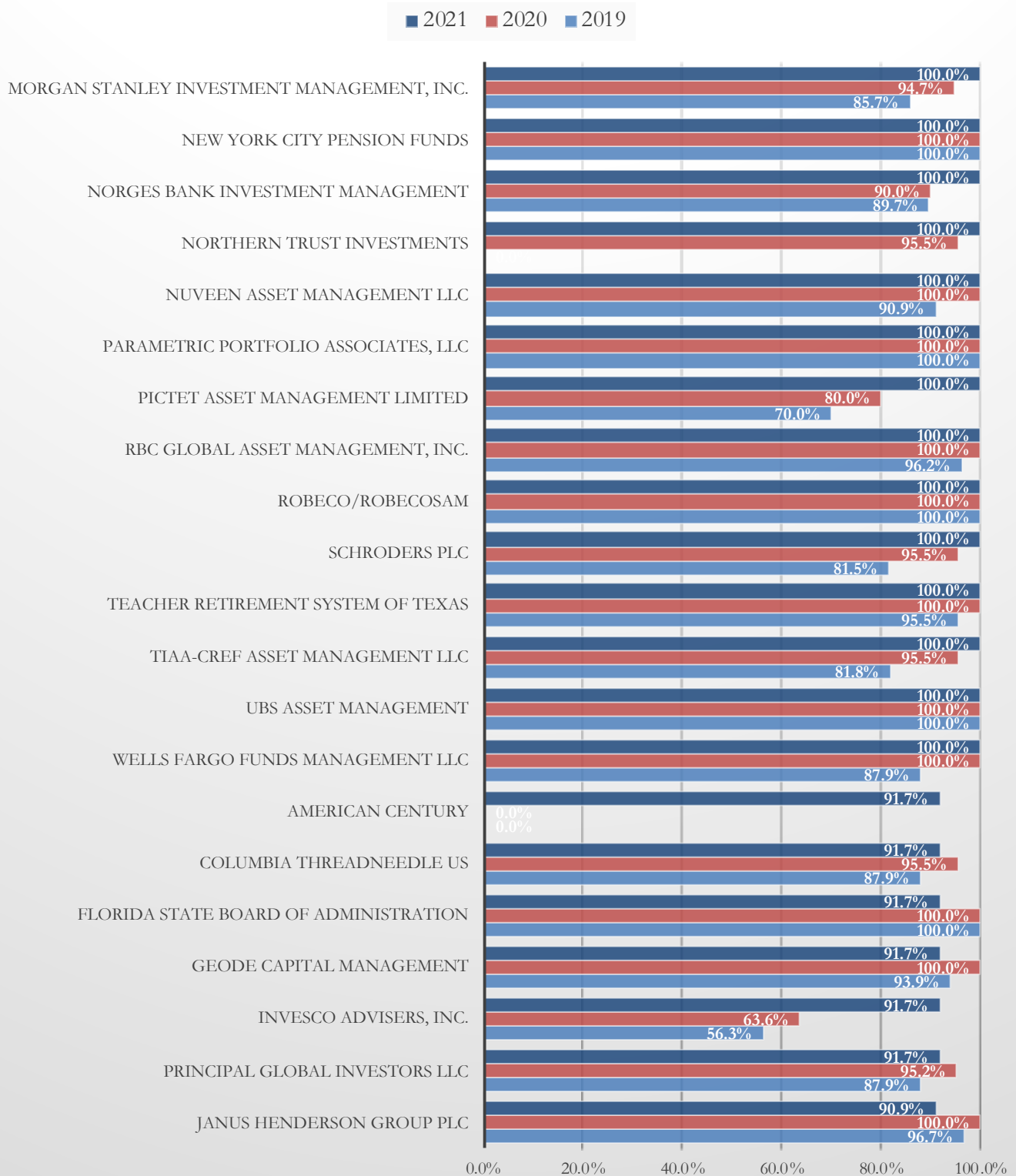
■ 2021 ■ 2020 ■ 2019



# Largest Investor Support for CPA Model Resolution

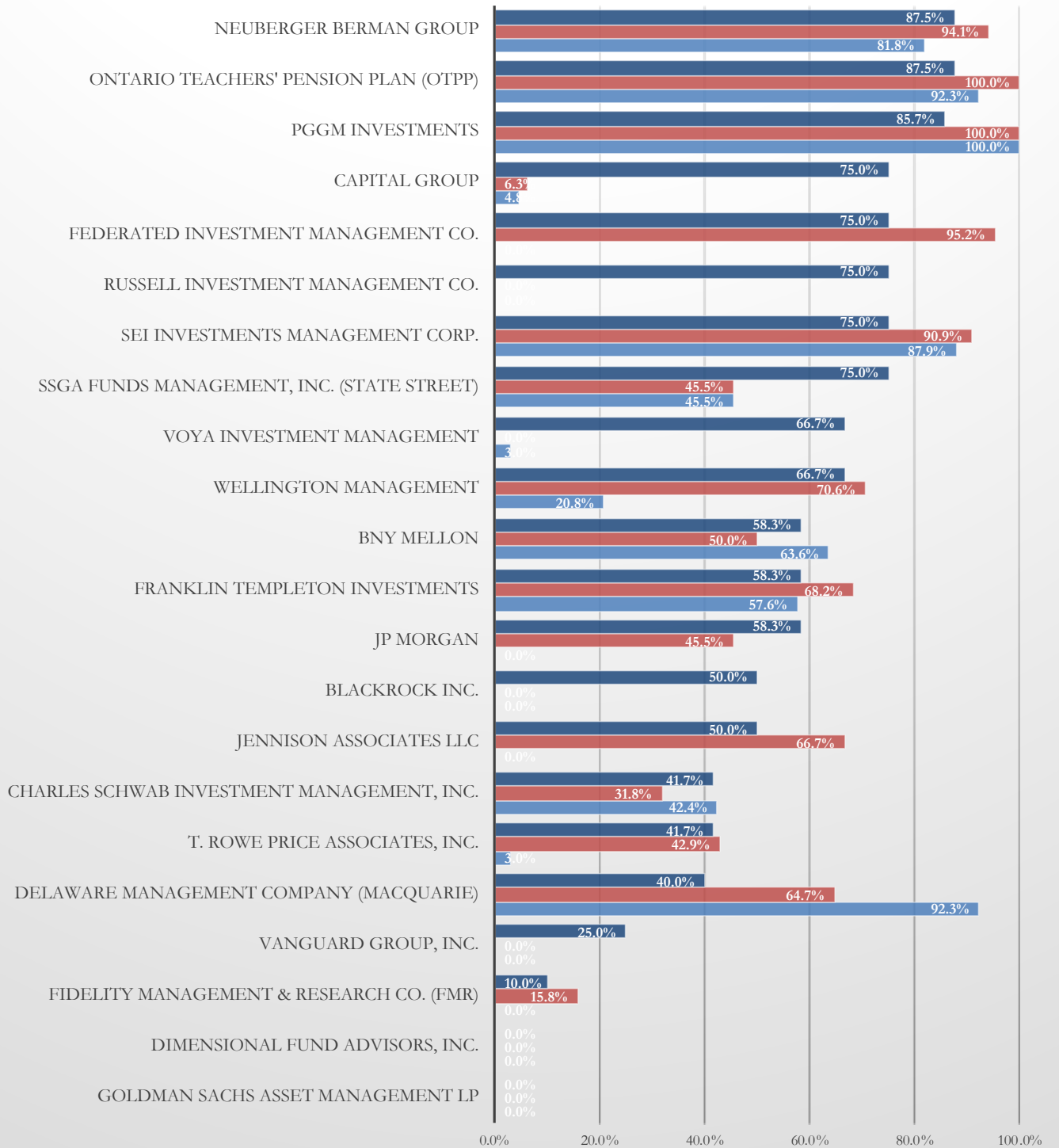
## 2019-2021

(most to least supportive in 2021)






















# **Largest Investor Support for CPA Model Resolution** **2019-2021** **(most to least supportive in 2021)**





















■ 2021 ■ 2020 ■ 2019



**Largest Investor Change in Support 2020-2021**  
(percentage point change)

Investor		Increase/Decrease
abrdn	13.6%	
AEGON Investment Management B.V	0.0%	
AllianceBernstein LP	0.0%	
Allianz Global Investors	0.0%	
American Century	91.7%	
APG	4.8%	
Aviva Investors	0.0%	
Barings LLC	10.0%	
BlackRock Inc.	50.0%	
BMO Global Asset Management	0.0%	
BNY Mellon	8.3%	
British Columbia Investment Management Corporation	0.0%	
California Public Employees' Retirement System (CalPERS)	4.5%	
California State Teachers' Retirement System (CalSTRS)	0.0%	
Canada Pension Plan Investment Board (CPPIB)	0.0%	
Capital Group	68.8%	
Charles Schwab Investment Management, Inc.	9.8%	
Columbia Threadneedle US	-3.8%	
Delaware Management Company (Macquarie)	-24.7%	
Dimensional Fund Advisors, Inc.	0.0%	
DWS Investment Management Americas, Inc.	0.0%	
Federated Investment Management Co.	-20.2%	
Fidelity Management & Research Co. (FMR)	-5.8%	
First Trust Advisors LP	0.0%	
Florida State Board of Administration	-8.3%	
Franklin Templeton Investments	-9.8%	
Geode Capital Management	-8.3%	
Goldman Sachs Asset Management LP	0.0%	
HSBC Global Asset Management	0.0%	
Invesco Advisers, Inc.	28.0%	
Invesco Capital Management LLC	22.7%	
Janus Henderson Group PLC	-9.1%	

**Large Investor Change in Support 2020-2021**  
(percentage point change)

Investor	Increase/Decrease
Jennison Associates LLC	-16.7% 
JP Morgan	12.9% 
Lazard Asset Management LLC	0.0%
Legal & General Investment Management	0.0%
M&G Investments	0.0%
Manulife Investment Management	90.9% 
MetLife Advisers, LLC	0.0%
Morgan Stanley Investment Management, Inc.	5.3% 
Neuberger Berman Group	-6.6% 
New York City Pension Funds	0.0%
Norges Bank Investment Management	10.0% 
Northern Trust Investments	4.5% 
Nuveen Asset Management LLC	0.0%
Ontario Teachers' Pension Plan (OTPP)	-12.5% 
Parametric Portfolio Associates, LLC	0.0%
PGGM Investments	-14.3% 
Pictet Asset Management Limited	20.0% 
Principal Global Investors LLC	-3.6% 
RBC Global Asset Management, Inc.	0.0%
Robeco/RobecoSAM	0.0%
Russell Investment Management Co.	75.0% 
Schroders PLC	4.5% 
SEI Investments Management Corp.	-15.9% 
SSgA Funds Management, Inc. (State Street)	29.5% 
T. Rowe Price Associates, Inc.	-1.2% 
Teacher Retirement System of Texas	0.0%
TIAA-CREF Asset Management LLC	4.5% 
UBS Asset Management	0.0%
Vanguard Group, Inc.	25.0% 
Voya Investment Management	66.7% 
Wellington Management	-3.9% 
Wells Fargo Funds Management LLC	0.0%



This year's survey considered votes cast by the 64 investors in Proxy Insight's 100 largest investors that voted at least five times on the CPA Model-Resolution in each of the 2019, 2020, and 2021 Proxy Seasons. There were 12 shareholder-sponsored CPA model-resolutions up for a vote during the 2021 proxy season, 22 in the 2020 proxy season, and 33 in the 2019 season.

The Appendix lists all the shareholder proposals based on the CPA model resolution that came to a vote in the 2021 proxy season. A typical CPA model resolution asks companies to report on and semiannually update the following:

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

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

The [CPA Model Resolution Information Packet](#) contains further information about the disclosures and oversight requested in the model proposal, which may be of particular use to proxy voters as they try to determine where the gaps may exist in a company's policies and disclosure.

## APPENDIX

### Shareholder-Sponsored Resolutions Based on the CPA Model Resolution Voted Upon in 2021

Company	AGM Date	Shareholder Proponent	Support
Chemed	May 17, 2021	John Chevedden	80.1%
DaVita HealthCare Partners Inc.	June 10, 2021	Friends Fiduciary	34.4%
DTE Energy Co.	May 20, 2021	Mercy Investment Services	21.7%
Duke Energy Corp.	May 6, 2021	Office of the New York State Comptroller	51.9%
Expedia Inc.	June 9, 2021	Friends Fiduciary	36.9%
Exxon Mobil Corp.	May 26, 2021	Unitarian Universalist Association	30.5%
Flower Foods	May 27, 2021	International Brotherhood of Teamsters	38.1%
Loews Corp.	May 11, 2021	Clean Yield Asset Management	31.3%
Netflix Inc.	June 3, 2021	Jim McRitchie	80.7%
Omnicom Group Inc.	May 4, 2021	John Chevedden	51.0%
Royal Caribbean Cruises Ltd.	June 2, 2021	Office of the New York State Comptroller	52.9%
United Airlines Holdings Inc.	May 26, 2021	John Chevedden	67.9%