



## PROXY VOTING HIGHLIGHTS

The WSIB believes the proxy voting ballot is one of the most effective tools for positively influencing companies toward greater board accountability, genuine transparency, and increased focus on material ESG issues in conjunction with long-term growth strategies.

- ◎ The WSIB voted on 3,058 U.S. corporate meetings in 2019.
- ◎ Proxy votes were cast on 26,832 individual proposals dealing primarily with the election of directors (67.9 percent of total votes cast), ratification of auditor (9.8 percent), and advisory vote on executive compensation or “say on pay” (8.4 percent).
- ◎ Of the total 18,211 director votes in 2018, the WSIB voted “against” or “withheld” from 1,307 nominees (7.2 percent).
- ◎ The 2019 corporate governance program resulted in the WSIB voting to oppose 351 of 2,254 advisory proposals on executive compensation (15.6 percent) and to oppose 61 of 590 equity compensation plans (10.1 percent).

Shareholder priorities and ESG initiatives are often driven through the shareholder proposal process. The number of shareholder proposals going to a vote in the U.S. market somewhat declined last year, with proxy advisory firm Glass Lewis reviewing 426 such resolutions in 2019 as compared to 433 in 2018 and 453 in 2017. This is consistent with an evident, decade-long trend.

This decline in shareholder proposals is explained by the fact that more companies have embraced “best practice” standards such as majority voting. In addition, more companies and investors are engaging directly on these issues and resolving issues (or withdrawing resolutions) before they go to a shareholder vote. Lastly, regulators are increasingly flexing their discretion to exclude shareholder proposals.

Common shareholder proposal topics in 2019 were board declassification, majority voting standards and climate change-related resolutions. Proposals also focused on human capital issues such as diversity-related resolutions, including both board diversity and issues related to pay gaps. The WSIB supported 59.9 percent of shareholder proposals in 2019, a decrease from 63.0 percent in 2018.