Falling Short

Shareholder votes on audit and climate risk

Briefing by Greenpeace UK
December 2022

1. Summary

Research consistently demonstrates that most companies are failing to meaningfully disclose climate-related risks, and their impacts and financial implications. Nor are their auditors demonstrating an integration of climate-related risks into their audit reports. Greenpeace's 2021 analysis of major investors' voting records[1] showed that they paid little or no attention to this issue when approving auditor appointments at high-emitting companies which are the focus of investor engagement on climate.

As 2022 annual shareholder meeting season approached, more public corporate engagement and integration of this issue within the Climate Action 100+ assessment process raised expectations for investor action on this consistent failure of companies and their auditors to reflect climate change risks in company accounts.

In March 2022, the Climate Action 100+ benchmark for the first time included indicators on company accounts. In line with earlier 2021 analysis by Carbon Tracker Initiative (Carbon Tracker) and the Climate Accounting Project, the benchmark revealed that none of the 159 high-carbon companies had demonstrated that its financial statements were drawn up using assumptions consistent with net zero by 2050.[2]

In April, it was confirmed that a group of 34 international investors with $7 trillion assets under management had, in previous months, written to 17 of Europe's largest companies warning them that if they did not improve climate-related accounting, investors would begin to use their audit-related votes at annual shareholder meetings to drive improvement.[3]

Shortly thereafter, Climate Action 100 + for the first time 'flagged' audit related votes at the annual shareholder meeting of Irish building materials company CRH, to members which manage $68 trillion in assets, although there was no obligation on them to vote in line with the 'flag'. Nonetheless, following the various engagements and public statements by global investors on this issue, this move created an expectation that these votes would provide the opening move in investors using their voting power to demand companies and auditors meet investor expectations.

Analysis by Carbon Tracker of the 17 focus companies' most recent financial statements concludes that 12 did not meet a single criteria. Five companies received a 'partial' score (up from four in 2021) with four[I] of them recording some improvement across one or two of the criteria. Accordingly, we would expect that investors would escalate their voting activity at some if not all these companies.

This briefing is a review of the 2022 voting records of 50 leading global investors on key audit and accounting-related votes at those 17 focus companies. The analysis demonstrates that, despite the increasing prominence of the issue in the CA100 100+ benchmark, and pledges by investors to use their voting power,[4] relevant votes continue to be waved through by the vast majority of shareholders at companies identified as having inadequate disclosures.

1.1 Findings

We reviewed 38 votes on the appointment of auditors, audit committee chairs, and financial statements that took place at the 2022 AGMs of the 17 companies that leading investors warned needed to improve their climate related accounting. We also reviewed the votes on the climate accounting shareholder resolutions at Exxon and Chevron and the votes on the appointment of the auditor at each of those companies.

- **Of the 38 routine votes, only one received less than 90% approval: the appointment of KPMG AG for the fiscal year 2022 at Mercedes-Benz AG with 89%.**[II]
- **Despite 42 of the 50 investors being signatories of CA100+, only two investors voted in line with the CA100+ flag on *all three* votes at CRH plc. They were Rathbone Investment Management and Sarasin & Partners.** [III]
- **23 of the 50 investors did not vote against management on any of 38 routine votes – on auditor appointments or pay, directors, or financial statements - at companies they owned.**

I Rio Tinto, bp, Glencore, and Equinor

II A second resolution on the appointment of KPMG AG as auditor for the 2023 Interim Financial Statements until the 2023 AGM received 90.5% support from shareholders.

III Schroders voted against the financial statements only, listing concerns "about the climate risks the company is running that are not properly reflected in its financial statements."

- **Six of those investors hold Exxon and/or Chevron (Vanguard, T. Rowe Price, Fidelity Management & Research, Federated Investment Management, UBS, and Norges Bank Investment Management) and also did not vote against management on the shareholder resolutions at Exxon and Chevron.**

- **Only four investors voted against management[IV] on more than 20% of their votes that we reviewed:[V]**

    - Sarasin & Partners: 67.86% (19/28 votes)

    - BNP Paribas: 23.68% (9/38 votes)

    - Aviva Investors: for 21.43% (9/42 votes)

    - Credit Suisse Asset Management: 21.05% (8/38 votes)

- **We do not have a full list of the 34 signatories to the investor letters.[VI] However, the voting records of some signatories to the investor letters suggest they failed to follow through on their warning to companies:**

    - Neither of HSBC Global Asset Management nor Danica Pension voted against management on any of the 38 routine votes at companies they held.[VII] HSBC supported the Exxon shareholder resolution. Danica Pension, which does not hold Exxon, supported the resolution at Chevron.

    - Signatories USS and BMO Global Asset Management (and Columbia Threadneedle - the new owner of the relevant business) did not vote against management on any of the flagged votes at CRH.

    - Rathbone Investment Management only voted against management at one of the ten companies it owns among the 17 letter recipients. USS voted against management at two of them: Volkswagen and Mercedes-Benz (it holds 16 of the 17 companies). In contrast, Sarasin & Partners voted against management at six out of the nine in which it holds shares.

- **As in 2021, shareholders were more willing to vote for non-binding shareholder resolutions calling for separate audited reports on the impact of a 1.5°C scenario on key financial assumptions than use existing votes on auditors, directors, or on financial statements.**

    - The shareholder resolutions at Exxon and Chevron received 51% (above the 50% pass threshold) and 38.7% investor support respectively.

    - Each of BlackRock and Vanguard voted against the resolution at Chevron.

    - State Street abstained on Exxon and recorded a 'split' vote on Chevron with one of its funds voting for.

- **However, there was little consistency between these votes and those on the appointment of auditors at those companies:**

    - Of the 37 investors who supported the Exxon shareholder resolution[VIII], only 14 of them also voted against the auditor.

    - Of the 35 investors who supported the Chevron shareholder resolution[IX] only 15 also voted against the auditor.

IV Including abstain votes

V We have excluded New York City Pension Fund's 13 abstain votes on non-US companies as they are the result of a standing policy on international companies rather than a vote due to specific issues.

VI A number of signatories were identified in press reports.

https://www.reuters.com/business/sustainable-business/exclusive-investors-warn-european-companies-over-climate-accounting-2022-04-04/

https://www.iigcc.org/news/investors-put-audit-committee-chairs-on-notice-over-continued-omission-of-climate-risks-in-financial-reporting-ahead-of-2022-agm-season/

VII HSBC cast 38 such votes and Danica 35.

VIII Seven investors voted against the resolution, one abstained, and an additional five investors are not shareholders.

IX 12 investors voted against the resolution and three are not shareholders.

- **Even where a number of investors voted against an auditor or Chair of the audit committee appointment, climate risk integration in company accounts was rarely offered as the rationale:**[X]
    - Those investors who voted against the auditor at Mercedes-Benz AG and who provided a reason only explicitly mentioned the length of tenure.[XI]
    - 4.8% of shareholders voted against the Chair of the audit committee at Rio Tinto. The reasons appear to be related to his role as a member of the nomination committee and a lack of gender and ethnic diversity. Only Sarasin & Partners who voted 'abstain' specifically referenced climate in the context of his role as Chair of the audit committee.
    - Those who voted for the resolutions and against the auditors at Exxon and Chevron, and who provided a rationale gave length of tenure as the reason.

1.2 Recommendations

Shareholders

Shareholders should:

- **Amend their voting policies to include the adequacy of climate risk integration as an assessment criterion for voting on auditor appointments in addition to tenure and non-audit fees.**
- **Amend their voting policies to include the adequacy of climate risk integration as an assessment criterion for voting on financial statements, and the appointment of the audit committee Chairs.**
- **In addition to using routine votes, file and support shareholder resolutions such as those filed at Exxon and Chevron requesting that companies produce audited reports on the financial implications of climate-related risks. In light of shareholders' continuing preference to vote 'for' *something* rather than 'against' *someone*, this may be the most effective way for now of actually securing the sort of financial disclosures that are absent from annual accounts.**

Policy-makers

Governments should create specific duties for companies, and their directors and auditors, to ensure climate risk is reflected in financial statements. In the UK this should include a duty on company directors to:

- **State in the notes to the financial statements whether and how they have adopted assumptions/estimates in their accounts which are compatible with a corporate strategy aligned with the goal of limiting global temperature increases to 1.5°C above pre-industrial levels as set out in the Paris Agreement on Climate Change (the 1.5° Goal).**
- **If they have not, provide supplementary disclosures in the notes to the financial statements about how the accounts would be impacted if they had used such assumptions/estimates.**
- **Auditors should likewise be required to undertake audits that test accounts against assumptions/estimates aligned with 1.5° Goal and flag to shareholders any concerns about the assumptions and estimates used by the company.**

Regulators

We support the recommendation outlined by Carbon Tracker that "market regulators should identify whether companies have incorporated material climate-related matters in their financial statements (and provided adequate disclosure thereof). They should look for reporting inconsistencies, identify audit failures, and take action to enforce financial reporting and audit standards."[5]

X As recorded on Insightia.

XI KPMG received 89.0% and 90.5% on the two resolutions on their appointment. abrdn voted 'for' on both votes but explained they had been assured the audit contract would soon be tendered.

2. Introduction

The 1.5°C warming limit committed to in the Paris Agreement is still within reach, from a physical perspective, but only with rapid emission cuts that bring carbon emissions to net-zero and beyond. Failing to cut global emissions from current levels could eat up the remaining carbon budget for 1.5°C by 2030. Financial institutions - banks, asset managers and insurers - as well as the companies to which they lend and whose shares they own, must align their business with the objectives of the Paris Agreement, to pursue limiting global average temperature increase to 1.5°C as shifting investment will be key to avoiding capital allocation locking in high-carbon infrastructure. Despite a veritable alphabet soup of initiatives and pledges, and an ever-shrinking window for meaningful climate change mitigation, the financial industry, for the most part, continues to do too little, too slowly.

Audited company financial statements drive the allocation of corporate and, in turn, investment capital. Currently too much capital is being directed in a manner contrary to achieving the 1.5°C temperature and global equity goals of the Paris Agreement. If climate risk was properly integrated into companies' financial statements and auditors' reports, many of the assumptions propping up the value of high-carbon companies might change, helping drive a reallocation of corporate and investor capital away from fossil fuels and other climate-destructive activities. Examples of items in the financial statements that might be impacted by climate risks include assumptions on future commodity demand and prices, impairments reducing the value of assets, assumptions about the life of an asset, and the timing and amount of end-of-life costs such as decommissioning. Consequently, climate change is a key factor to be considered in financial statements.

Our 2021 analysis of investor voting on auditor appointments[6] revealed that auditor appointments were being waved through by the vast majority of shareholders with very few objections of any kind and negligible numbers of climate-related concerns. At the time, some managers pointed out that they may reserve voting as an escalation strategy in their engagement, and/or that they choose to use votes on other matters to express concern.

This research is a test of that claim. We have expanded the votes examined and focused on those companies which investors identified as prime candidates for escalated voting. The results show that investors are still failing to use their voting powers to drive improvements in company financial reporting on resilience to fundamental changes to business models and that, at least in some cases, they are also failing to follow through on pledges to do just that. We hope this research both informs policymakers and encourages investors to more fully integrate climate change into key votes on financial statements and director and auditor appointments.

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3. Consistent failure of companies and their auditors to reflect climate change risks in company accounts

The Financial Reporting Council (FRC) found in November 2020 that "most [audit] firms are not yet incorporating climate change considerations into their internal monitoring of ongoing audits and their review of completed audits."[7]

In December 2020, the six largest accounting and audit firms responded to guidance by the International Auditing and Assurance Standards Board reportedly promising that "The GPPC networks are committed to playing our part"[8] when it comes to assuring that climate risk is properly reflected in company financial statements.[9] However, there is little evidence yet of this commitment being implemented.

Successive analyses on company accounts and auditor reports identify a consistent failure by companies and their auditors to provide meaningful disclosures on the impacts of climate change and the transition to a 1.5C aligned economy on key assumptions and estimates in the financial accounts. Research published in 2021 by each of Client Earth and Carbon Tracker with the Carbon Accounting Project revealed an almost universal failure among assessed UK and global companies.[10]

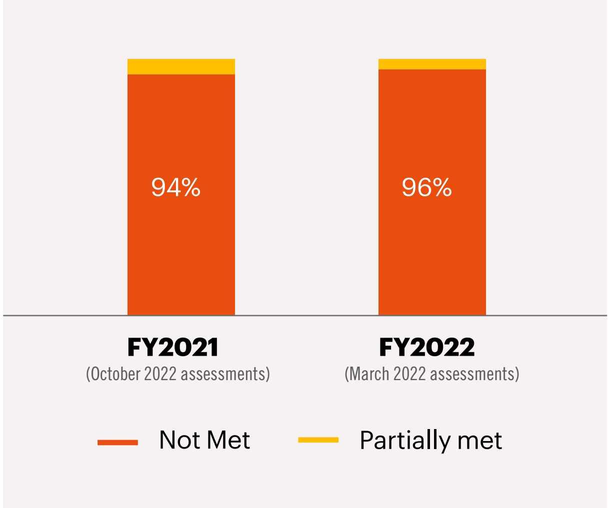
Climate Action 100+ (CA100+), a group of 615 investors with $68 trillion in assets under management, released in March 2022 a provisional Climate Accounting Alignment Assessment to complement the CA100+ Disclosure Framework.[25] It assessed if corporate accounting practices and related disclosures, and corresponding auditor's report, reflect the effects of climate risk and the global move towards a 2050 (or sooner) net zero emissions pathway and the Paris goal to limit global warming to no more than 1.5°C.[11]According to the Climate Accounting and Audit (Overall Score), no assessed company demonstrated that its financial statements were drawn up using assumptions consistent with net zero by 2050.[12]

Carbon Tracker's updated 2022 analysis of the most recent financial statements of 134 global companies that significant institutional investors have identified as highly carbon exposed, and which are included among the CA 100+ focus company universe was published in October 2022.[13]

The researchers found that of none of those 134 companies met all the requirements and achieved an overall 'Yes' score. Only eight companies achieved a 'partial' score meaning they met one or more of the seven metrics. Furthermore, none of the companies used assumptions and estimates that were aligned with achieving net zero by 2050 or sooner. According to Carbon Tracker, 98% of the assessed companies did not provide sufficient information to demonstrate how their financial statements include consideration of the financial impacts of material climate matters. 96% of auditors did not sufficiently address how they considered the impact of climate.

3.1 Year on year

Figure 1: Carbon Tracker[14]



There has been some year on year improvements, but disclosures remain insufficient.

Five of the 134 companies, achieved a "Partial" score for their Financial Year (FY)2020 reports: bp, Glencore, National Grid, Rio Tinto and Shell. For each of Glencore, Rio Tinto and Shell this was because their auditors scored well. Glencore and Rio Tinto improved in the most recent analysis of their FY2021 reports by achieving a "Yes" on at least one of the company-related metrics.

In addition to those five companies, only three additional companies and/or their auditors (Eni, Equinor and Rolls-Royce) provided sufficient information about their consideration of material climate matters to receive a "Partial" overall score for FY2021 reporting.

These inadequate disclosures from companies and auditors persist despite accounting and auditing standard-setters and security market regulators clarifying the requirements to consider material climate-related matters in financial statements and in audits, including The European Securities and Markets Authority (ESMA)[15], and FRC. Other examples include The International Auditing and Assurance Standards Board (IAASB)[16] and the International Accounting Standards Board (IASB)[17], which have each clarified that material climate-related matters should be considered in preparing and auditing financial statements.

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3.2 Focus companies' performance

The performance of the 17 focus companies as assessed by Carbon Tracker and The Carbon Accounting Project in "Still Flying Blind" is set out below. While some improvements were demonstrated by a small number of companies none of them are close to meeting all the criteria. Accordingly, it is reasonable to expect that concerned investors would escalate their voting activity at some if not all these companies.

Table 1: Focus companies' performance on 1.5°C aligned accounting. Data from Carbon Tracker[18]

		Financial Statements			Audit Reports		Alignment with drive to net zero	
Company	**Overall Score**	**Metric 1**	**Metric 2**	**Metric 3**	**Metric 1**	**Metric 2**	**3 a**	**3b**
ThyssenKrupp AG								
Rio Tinto		(+)			(+)	(-)		
Anglo American plc								
Bayerische Motoren Werke Aktiengesellschaft (BMW)								
CRH plc								
Glencore							(+)	(+)
Air Liquide[XII]								
ArcelorMittal N.V.								
Equinor	(+)						(+)	(+)
BP plc						(+)		
Enel								
Volkswagen								
Shell						(-)		
Renault								
TotalEnergies								
Compagnie de Saint-Gobain								
Mercedes-Benz AG								

Still Flying Blind analysis key

Overall Scores	Met
	Partially met
	Not met
Metric Scores	Yes/Met
	No/Not met

(+) or (-) = improvement or decline in the metric scores from the respective company assessment that was performed for the March 2022 Benchmark Assessment.

XII Sarasin & Partners have noted that Air Liquide has "…committed to offering further detailed sensitivity analysis in 2023." https://sarasinassetmanagement.com/stewardship-post/carbon-tracker-flying-blind-report/#storeinvestor

Work on 1.5°C aligned accounting in Australia

The Australian Centre for Corporate Responsibility (ACCR) filed a shareholder resolution at Australian company Origin requesting that, from the 2023 financial year, the notes to the company's audited financial statements include a climate sensitivity analysis that:

- **includes a scenario aligned with limiting warming to 1.5°C;**
- **presents the quantitative estimates and judgements for all scenarios used; and**
- **covers all business segments, including exploration assets in Integrated Gas[19]**

Following the company's commitment to include a climate sensitivity analysis using a 1.5°C scenario in its financial statements from FY2023, the ACCR withdrew its resolution.

4. Raised Expectations for Investor Action

Investor interest in this issue has been building in recent years. In 2020, the Principles for Responsible Investment (PRI), and the Institutional Investors Group on Climate Change (IIGCC), and other investor groups representing more than $100 trillion in assets under management, called on companies and their auditors to follow relevant requirements to consider climate change risks in the 2020 audited financial statements and audit reports, respectively, and to use assumptions and estimates compatible with the goals of the Paris Agreement.[20] BlackRock included provisions on financial reporting and climate risk in its voting guidelines for European, Middle Eastern and African securities (though not, it seems, in its US guidelines).[21] The 2021 shareholder proposal on this topic at Exxon received 49.4% of the vote, including support from BlackRock and State Street, and received recommendations for the Proposal from ISS and Glass Lewis reflecting widespread investor and advisor support for the company to produce the requested information.

Despite this, Greenpeace's 2021 analysis of the voting records of leading asset managers in the UK found that for the most part this increasing interest was not yet being matched by investor voting on auditor appointments.[22]

However, investor actions in early 2022 raised expectations for AGM voting. The inclusion of net-zero aligned accounting in the 2021 CA100+ benchmark and reports of 34 leading investors putting the focus companies 'on notice' for their 2022 AGM raised hopes that investor voting would improve. The 'flagged' audit related votes at CRH further raised hopes that 2022 would see investors finally use their routine voting rights to drive corporate and auditor accountability at laggard companies.

To assist investors in making voting decisions during the 2021 shareholder meeting season, Carbon Tracker produced on a rolling basis assessments of several companies including 11 of the 17 focus companies.[23]

This research assesses the extent to which global investors followed through on the warning to leading European carbon emitters, and integrated the findings of the CA100+ accounting alignment assessment into their voting in 2022.

Raised expectations

Rio Tinto plc

While Rio Tinto's financial statements showed some minor improvement (meeting one metric), KPMG's auditor's report improved on one metric but went backwards on another. Asset manager Sarasin & Partners – one of the signatories to the investor letters warning of escalated action at 2022 shareholder meetings - felt progress was insufficient. It declared its voting intentions on audit-related votes at Rio Tinto in advance of its AGM.[24]

Sarasin & Partners' voting intentions at Rio Tinto

- **Financial Statements: Against – lack of disclosure on 1.5°C resilience, or quantitative disclosures as to critical accounting assumptions and how the new medium-term targets have been integrated into the accounts.**

- **Audit Committee Chair: Abstain – welcome increased disclosures on how climate change and decarbonisation are considered but there remains a lack of quantitative information over critical assumptions and the implications of a 1.5°C pathway.**

- **Auditor: Against – KPMG provides commentary on climate considerations but provides no disclosure as to how it has tested consistency with a 1.5°C pathway, or the emission targets set by the firm. It has furthermore removed without explanation its statement from last year: *"It is, however, likely that the future carrying amounts of assets or liabilities will change for these other judgments and estimates as the Group responds to its climate change targets"* despite tougher targets. We are also concerned by the differential reporting for US investors under its Critical Audit Matters, which leaves out all mention of climate.**

CRH

CRH plc – the Irish buildings materials group – and their auditor failed to meet a single criterion as assessed by Carbon Tracker. The company holds the dubious honour of being the first to have key accounting related votes 'flagged' by the Climate Action 100+ investor initiative on climate change grounds.[25]

This 'flag' of three votes was significant because, although Climate Action 100+ signatories are under no obligation to vote a particular way, the process serves to "dramatically increas[e] the spotlight on the company ahead of its AGM…".

In 2021, six out of 14 Climate Action 100+ flagged shareholder proposals received majority votes at some of the world's largest GHG emitters during the 2021 AGM season.

- **Resolution #1: To review the Company's affairs and consider the Company's financial statements and the Reports of the Directors (including the Governance Appendix) and Auditors for the year ended 31 December 2021**

- **Resolution #6e: Reappointment of Audit Committee Chair (Shaun Kelly)**

- **Resolution #8: Continuation of Deloitte Ireland LLP as Auditors**

5. Findings

We reviewed 38 votes on the appointment of auditors, audit committee chairs, and financial statements that took place at the 2022 AGMs of the 17 companies that leading investors warned needed to improve their climate related accounting. We also reviewed the votes on the climate accounting shareholder resolutions at Exxon and Chevron and the votes on the appointment of the auditor at each of those companies.

- **Of the 38 routine votes, only one received less than 90% approval: the appointment of KPMG AG as auditor for the fiscal year 2022 at Mercedes-Benz AG with 89%.[XIII]**

- **Despite 42 of the 50 investors being signatories of CA100+, only two investors voted in line with the CA100+ flag on *all three* votes at CRH. They were Rathbone Investment Management and Sarasin & Partners.**

    - Schroders voted against the financial statements only listing concerns "about the climate risks the company is running that are not properly reflected in its financial statements."

    - New York City Pension Fund abstained on the financial statements of CRH in line with its global voting policy on such resolutions at international companies.

- **23 of the 50 investors did not vote against management on any of 38 routine votes – on auditor appointments or pay, directors, or financial statements – at those of the companies they owned.**

- **Six of those investors which hold Exxon and/ or Chevron (Vanguard, T. Rowe Price, Fidelity Management & Research, Federated Investment Management, UBS, and Norges Bank Investment Management) also did not vote against management on the shareholder resolutions at Exxon and Chevron.**

XIII A second resolution on the appointment of KPMG AG as auditor for the 2023 Interim Financial Statements until the 2023 AGM received 90.5% support from shareholders.

Only four investors voted against management[XIV] on more than 20% of their votes we reviewed:[XV]

- Sarasin & Partners: 67.86% (19/28 votes)

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- Aviva Investors: for 21.43% (9/42 votes)

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- **We do not have a full list of the 34 signatories to the investor letters.[XVI] However, the voting records of some signatories to the investor letters suggest they failed to follow through on their warning to companies:**

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    - Signatories USS and BMO Global Asset Management (and Columbia Threadneedle - the new owner of the relevant business) did not vote against management on any of the flagged votes at CRH.

    - Rathbone Investment Management only voted against management at one of the ten companies it owns among the 17 letter recipients. USS votes against management at two of them: Volkswagen and Mercedes-Benz (it holds 16 of the 17 companies). In contrast, Sarasin & Partners voted against management at six out of the nine companies in which it holds shares.

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XVI A number of signatories were identified in press reports.

https://www.reuters.com/business/sustainable-business/exclusive-investors-warn-european-companies-over-climate-accounting-2022-04-04/

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XVII HSBC cast 38 such votes and Danica 35.

- **Shareholders were more willing to vote for non-binding shareholder resolutions calling for separate audited reports on the impact of a 1.5°C scenario on key financial assumptions than use existing votes on auditors, directors, or on financial statements.**
  - The shareholder resolutions at Exxon and Chevron received 51.0% and 38.7% investor support respectively.
  - Each of BlackRock and Vanguard voted against the resolution at Chevron.
  - State Street abstained on Exxon and recorded a 'split' vote on Chevron with a majority of its funds voting against.
- **However, there was little consistency between these votes and those on the appointment of auditors at those companies:**
  - Of the 37 investors who supported the Exxon shareholder resolution[XVIII], only 14 of them also voted against the auditor.
  - Of the 35 investors who supported the Chevron shareholder resolution[XIX] only 15 also voted against the auditor.
- **Even where a number of investors voted against an auditor or Chair of the audit committee appointment, climate risk integration was rarely offered as the rationale[XX]:**
  - Those investors who voted against the auditor at Mercedes-Benz AG and who provided a reason only explicitly mentioned the length of tenure.[XXI]
  - 4.8% of shareholders voted against the Chair of the audit committee at Rio Tinto. The reasons appear to be related to his role as a member of the nomination committee and a lack of gender and ethnic diversity. Only Sarasin & Partners who voted 'abstain' specifically referenced climate in the context of his role as Chair of the audit committee.
  - Those who voted for the resolutions and against the auditors at Exxon and Chevron, and who provided a rationale gave length of tenure as the reason.

One European asset manager explained "*it's not our approach to link voting on the company audit to climate targets/objectives, and rather, to vote on focused climate agenda items (where tabled) or to vote against relevant board members.*" They went onto identify specifically the vote on the Chair of the board as a key vote. We would note that our analysis includes votes on several directors and in each case this asset manager voted 'for'. It also voted against each of the relevant shareholder resolutions at Exxon and Chevron. This suggests the issue is the asset manager's understanding of the substantive issue of 1.5°C aligned accounting rather than it being one rooted in the processes of vote selection.

A leading UK asset manager explained that in some instances where they did note vote against the auditor, accounts, or audit committee Chair, they did register 'against' votes on other items specifically on climate grounds. La Française referenced a failure to set Science Based Targets as the reason to vote against the financial statements of Enel SpA, but this is separate to the issue of reflecting climate risk in key financial assumptions underpinning the accounts. This indicates that significant effort is required among investor groups to raise awareness of both the importance of using *all* appropriate routine votes to drive accountability and change and the specific importance of climate risk to the contents of the financial statements. Currently climate concerns are being expressed in a rather scattergun approach across the ballot. This is undoubtedly reducing impact.

One manager explained that that certain votes in favour of management reflected small non-discretionary holdings where it was not practicable to manually apply its voting policy.

In 2021 we noted that some investors acknowledged that their voting policies on the appointment of auditor didn't provide for climate change at all – often limiting the criteria to tenure and the level of non-audit fees. This year, we once again find that climate change is rarely mentioned even when investors provide rationales for voting against an auditor. Shareholders should add climate risk integration as an assessment criterion for voting on auditor appointments in addition to tenure and non-audit fees as well as for votes on financial statements and relevant directors.

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XIX 12 investors voted against the resolution and three are not shareholders.

XX As recorded on Insightia

XXI KPMG received 89.0% and 90.5% on the two resolutions on their appointment. Abrdn voted for on both votes but explained they had been assured the audit contract would soon be tendered.

As was the case with Simon Henry at Rio Tinto, we find increasing instances of votes against directors on nomination and remuneration committees where investors are unhappy with the diversity of appointments or the level of executive pay approved by the board. We have yet to see a corresponding drive for accountability of audit committee members and Chairs even where shareholders believe a company's annual report and accounts do not reflect expected climate-related risks and losses. This must change.

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Best practice voting policy

In September 2022, Sarasin & Partners announced an updated climate voting policy for the 2023 AGM season noting that they "are routinely in the minority when we vote against directors or auditors on climate grounds" and in "order to draw attention to this critical issue and, we hope, to provoke debate."[26]

For companies that are likely to be materially impacted by climate risks, we will vote AGAINST the Annual Report and Accounts and ABSTAIN/ vote AGAINST the Audit Committee Chair (as above) where:

1) There is inadequate indication that critical accounting assumptions have been adjusted for relevant climate risks; or

2) There are no supplementary disclosures in the Notes to the accounts around how a 1.5°C pathway has been considered.

We will furthermore vote AGAINST the Annual Report and Accounts and ABSTAIN/ vote AGAINST the Audit Committee Chair (as above) where key accounting assumptions are inconsistent with assumptions used in the narrative part of the Annual Report.

In finalising our vote, we will also consider commentary in the Audit Committee's report to shareholders where relevant.

For entities materially exposed to climate risks, we will vote AGAINST the reappointment of the auditor (and their remuneration where relevant) where they fail to detail how they have considered climate risks as part of the audit process; ensured consistency between narrative and financial statements; gained comfort that the assumptions used were appropriate; or alerted shareholders to potential mis-representation.

We will additionally ABSTAIN / vote AGAINST (escalating in second year of voting) where the auditor fails to provide commentary on how a 1.5°C pathway has been considered and any material implications for the financial statements to this pathway. This should alert shareholders to any implications for dividend payments.

6. Methodology

6.1 The companies and the votes

We selected for analysis audit and accounting related votes at the 17 companies which were identified by a group of investors as priorities for improvement. Not all countries offer an annual vote on the auditor, audit committee Chair or the financial statements.

This gives a total of 38 routine votes.

In addition to reviewing those routine audit-related votes, we reviewed the votes of the selected investors at Exxon and Chevron on non-binding shareholder resolutions[27] which called for audited reports on how key financial assumptions might be impacted in a 1.5°C world and on the appointment of the auditor at those companies.

This gives a total of 42 votes.

Company	Vote(s)
ThyssenKrupp	Appointment of Auditor
Rio Tinto[XXII]	Appointment of Auditor Financial Statements Audit Committee Chair
Anglo American	Appointment of auditor Financial statements Audit Committee Chair
BMW (Bayerische Motoren Werke AG)	Ratify Auditor
CRH [XXIII]	Appointment of Auditor Financial Statements Audit Committee Chair
Glencore	Appointment of Auditor Financial Statements Audit Committee Chair
Air Liquide	Appoint Auditors (two votes) Approve Financial Statements
Arcleor Mittal	Appointment of Auditor Approve Accounts and Reports
Equinor	Approve Accounts and Reports Authority to set Auditor's Fees
BP	Appointment of Auditor Chair of Audit Committee Accept financial statements
Enel SpA	Approve Financial Statements
Volkswagen AG	Appointment of Auditor
Shell	Appointment of Auditor Chair of the Audit Committee Accept Financial Statements
Renault	Approve Financial Statements (two votes)
TotalEnergies	Approve Financial Statements and Statutory Reports Appointment of Auditors (two votes)
Compagnie de Saint-Gobain	Approve Financial Statements and Statutory Reports Appointment of auditor
Mercedes-Benz AG	Appointment of Auditors (two votes)
Chevron	Appointment of Auditor Shareholder Resolution
Exxon	Appointment of Auditor Shareholder Resolution

XXII All three votes highlighted by Sarasin &. Partners

XXIII All three votes flagged by CA100+

6.2 The investors

The Thinking Ahead Institute's and Pensions & Investments' 2021 ranking of the world's largest 500 asset managers was used to provide an initial list from which we selected asset managers.[28] The asset managers that were initially selected met one of the following criteria:

- **the twenty-five largest global asset managers based on Assets Under Management (AUM);[XXIV]**
- **the next ten largest UK asset managers based on AUM;[XXV]**
- **asset managers included in Accountable – our 2021 assessment of audit-related voting[29]; and**
- **disclosed signatories of the investor letters to the focus companies.[XXVI]**

We included several leading asset managers from France, Switzerland, and the Netherlands reflecting civil society scrutiny in those countries on this issue. Finally we added several of the world's largest pension funds for which we could find individual voting disclosure.

This left us a total of 50 investors for assessment. The list of investors is set out in the Appendix.

XXIV Natixis's SRI subsidiary Ostrum Investment Management was considered for selection but was not included as it only held 5 of the companies being reviewed. Wells Fargo was replaced by AllSpring Global Investments who bought Wells Fargo's asset management business in 2021. BNY Mellon was not included because of its multi-affiliate model. Its UK subsidiary Newton Investment Management was included

XXV Federated Hermes as the parent company of a leading UK based responsible investment specialist was included. Upon review of holdings in the 17 companies the UK subsidiary Hermes EOS was not included and instead the US based Federated Investment Management Company Limited was added.

Baillie Gifford was excluded from this analysis as it is a shareholder in only two of the focus companies

XXVI A complete list of signatories was not available to us. A number of signatories were identified in press reports. https://www.reuters.com/business/sustainable-business/exclusive-investors-warn-european-companies-over-climate-accounting-2022-04-04/

We included each of BMO Global Asset Management – named in press reports as a signatory to the letter to the 17 focus companies – and Columbia Threadneedle that acquired the EMEA business of BMO Global Asset Management. NEST (the UK's largest pension fund by membership and signatory to the investor letters) and ERAPF (the French fund that was a signatory to the investor letters) do not make disclosures in a form that enabled their inclusion.

7. Voting information

The voting data was accessed from Insightia's[30] database in October and November and cross referenced to the extent possible with investors' own websites.[XXVII] As Insightia processes and releases further data on the voting of individual funds, some of the votes categorised as for or against may change to 'split'. This reflects new data released on the voting of individual funds, not inaccuracies in the current data set. We have only taken account of votes where the asset manager has discretion rather than those where they are applying a client instruction on a segregated fund.

All the investors included in this study were contacted by Greenpeace as part of our data verification procedure for the report. They were asked to verify the data that we had obtained from Insightia. We thank the asset managers who kindly agreed to verify their data to us.

Several asset managers recorded 'Did Not Vote' at Equinor. Some explained this based on blocking procedures in place in Norway which restrict the ability to sell shares in the period between casting the vote and the date of the meeting. It is possible that in other instances where we have recorded DNH (do not hold) for Equinor that the investors did not exercise their voting rights. We excluded managers' DNVs when calculating the number of votes cast and the percentage of votes cast against or withheld on auditor appointments. While we have included withholds/abstentions in assessing the extent to which an asset manager did not support management, we have - as the law does - calculated overall support for auditors' appointments on a for/against basis.

We have noted where asset managers as a firm recorded split votes because individual fund managers have voting discretion. Where a majority of its funds are recorded on the Insightia database as voting a particular way, we have assessed the investor using that vote. Where simply a 'split' has been recorded with no breakdown, we have regarded this vote as a 'for'.

XXVII In instances where there were differences between the Insightia database and website disclosures we have used the information on the investor's website.

8. Recommendations

Shareholders

Shareholders should:

- **Amend their voting policies to include the adequacy of climate risk integration as an assessment criterion for voting on auditor appointments in addition to tenure and non-audit fees.**

- **Amend their voting policies to include the adequacy of climate risk integration as an assessment criterion for voting on financial statements, and the appointment of Chair of the audit committee.**

- **In addition to using routine votes, file and support shareholder resolutions such as those filed at Exxon and Chevron requesting that companies produce audited reports on the financial implications of climate-related risks. In light of shareholders' continuing preference to vote 'for' something rather than 'against' someone, this may be the most effective way for now of actually securing the sort of financial disclosures that are absent from annual accounts.**

Policy-makers

Governments should create specific duties for companies, and their directors and auditors, to ensure climate risk is reflected in financial statements. In the UK, this should include a duty on company directors to:

- **State in the notes to the financial statements whether and how they have adopted assumptions/estimates in their accounts which are compatible with a corporate strategy aligned with the goal of limiting global temperature increases to 1.5°C above pre-industrial levels as set out in the Paris Agreement on Climate Change (the 1.5° Goal).**

- **If they have not, provide supplementary disclosures in the notes to the financial statements about how the accounts would be impacted if they had used such assumptions/estimates.**

- **Auditors should likewise be required to undertake audits that test accounts against assumptions/estimates aligned with 1.5° Goal and flag to shareholders any concerns about the assumptions and estimates used by the company.**

Regulators

We support the recommendation outlined by the Carbon Tracker that "market regulators should identify whether companies have incorporated material climate-related matters in their financial statements (and provided adequate disclosure thereof). They should look for reporting inconsistencies, identify audit failures, and take action to enforce financial reporting and audit standards."[31]

9. Conclusion

The failure to integrate material climate risks including transition risk into company accounts should concern both investors and regulators given the likelihood of both building up stranded assets risk and undermining confidence in company accounts. This briefing unfortunately confirms the patterns of inadequate investor scrutiny that we identified last year. Even when focusing the analysis on companies investors themselves have identified as priorities for escalated voting activity, the world's leading investors continued to rubberstamp inadequate financial disclosures. This issue cannot be divorced from investors' own commitments and plans for a 1.5°C aligned transition. All routine votes should be utilised to ensure a coherent and holistic integration of climate risk within corporate strategies and spending plans. Investors should update their voting policies on auditors, the Chair of the audit committees and financial statements accordingly. Recent votes show little likelihood of significant improvement in the near-term; accordingly we urge regulators such as the FRC to demand more of both investors and companies on this issue. Furthermore, the UK government should introduce the additional policy reforms set out above rather than rely on shareholder votes as the primary accountability mechanism for companies and their auditors.

Even when focusing the analysis on companies investors themselves have identified as priorities for escalated voting activity, the world's leading investors continued to rubberstamp inadequate financial disclosures.

Appendix

The Investors

abrdn
AEGON Investment Management B.V.
Allianz Global Investors
Allspring Global Investments
Amundi Asset Management
Aviva Investors
Axa Investment Managers
APG Asset Management
BlackRock
BMO Global Asset Management
BNP Paribas Asset Management
CalPRS
CalSTRS
Capital Group
Columbia Threadneedle
Credit Suisse Asset Management
Danica Pension
Federated Investment Management Company
Fidelity International[XXVIII]
Fidelity Management and Research
Franklin Templeton
Goldman Sachs Asset Management
HSBC Global Asset Management
Invesco
Janus Henderson[XXIX]
J.P. Morgan Asset Management
La Française Group
Legal & General Investment Management
M& G Investment Management
MN
Morgan Stanley Investment Management
Newton Investment Management
New York City Pension Funds
Norges Bank Investment Management
Northern Trust
Nuveen
PGIM Quantitative Solutions
PGGM
Pictet Asset Management
Rathbone Investment Management
Robeco
Royal London Asset Management
Sarasin & Partners
Schroders
State Street Global Advisors
T. Rowe Price
UBS Asset Management
USS (Universities Superannuation Scheme)
Vanguard
Wellington Management

XXVIII We examined the voting records for funds excluding those domiciled in France, Hong Kong, Japan and Taiwan. https://s3-eu-west-1.amazonaws.com/eumultisitev4prod-live-eb461540d2184169bb77db2b062d9318-f268f99/PI%20UK/pdf/Q2_2022_Voting_Record.pdf

XXIX We examined the voting records of their UK funds. https://www.janushenderson.com/en-gb/investor/about-us/esg-environmental-social-governance/esg-resources/

Table 2: Investor Votes on Accounting-related Resolutions: Findings in full

Company (Issuer)	Thyssen Krupp AG	Rio Tinto Limited	Rio Tinto Limited	Rio Tinto Limited	Anglo American Plc	Anglo American Plc	Anglo American Plc	Bayerische Motoren Werke AG	CRH Plc	CRH Plc	CRH Plc	Glencore plc	Glencore plc	Glencore plc	Air Liquide SA	Air Liquide SA	Air Liquide SA	Arcelor Mittal S.A.	Arcelor Mittal S.A.	Equinor ASA	Equinor ASA
Ticker	TKA	RIO	RIO	RIO	AAL	AAL	AAL	BMW	CRH	CRH	CRH	GLEN	GLEN	GLEN	AI	AI	AI	MT	MT	EQNR	EQNR
Meeting Date	04/02/2022	05/05/2022	05/05/2022	05/05/2022	19/04/2022	19/04/2022	19/04/2022	11/05/2022	28/04/2022	28/04/2022	28/04/2022	28/04/2022	28/04/2022	28/04/2022	04/05/2022	04/05/2022	04/05/2022	04/05/2022	04/05/2022	11/05/2022	11/05/2022
Proponent	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt
Resolution Number	4	14	8	1	1	15	10	5	8	6e	1	1	11	6	9	8	1	11	1	6	22
Proposal	Ratify auditors (PWC & KPMG)	Reappoint-ment of auditor (KPMG)	Re-election of Simon Henry (audit committee Chair)	Accept Financial statements and Statutory Reports	Accept Financial statements and Statutory Reports	Reappoint-ment of auditor (PWC)	Re-election of audit committee chair (Hilary Maxson) as a director	Ratify auditors (PWC)	Ratify auditors (Deloitte)	Re-election of Shaun Kelly (audit committee Chair)	Accept Financial Statements and Statutory Reports	Accounts and Reports	Appointment of auditor	Elect Gill Marcus (audit committee Chair)	Appoint KPMG SA as auditor	Renew appointment of Price-waterhouse-Coopers Audit as auditors	Approve Financial Statements and Statutory Reports	Appoint External Auditor for 2022	Approve Consolidated Statements	Accounts and Reports; Allocation of Profits and Dividends	Authority to set auditor's fees
Result %	99.8/0.2	99.3/0.7	95.2/4.8	99.7/0.3	100/0	99.2/0.8	99.3/0.7	99.9/0.1	97.9/2.1	99.7/2.3	97.6/2.4	99.3/0.7	96.6/3.4	97.0/3.0	99.1/0.9	95.9/4.1	99.2/0.8	99.8/0.2	99.38/0.62	99.8/0.2	99.9/0.1
abrdn	For	For	For	Abstain	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
AEGON Investment Management B.V.	DNH	For	Against	For	DNH	DNH	DNH	For	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For
Allianz Global Investors	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
Allspring Global Investors	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
Amundi Asset Management	For	For	Against	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	For
Aviva Investors	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	Against	Abstain	For
Axa Investment Managers	For	For	For	For	DNH	DNH	DNH	For	For	For	For	DNH	DNH	DNH	For	For	For	For	For	For	For
APG Asset Management	DNH	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNH	For	For	For	DNH	DNH	For	For
BlackRock	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
BMO Global Asset Management	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNH	DNH
BNP Paribas Asset Management	DNH	For	For	Against	For	For	For	For	For	For	For	DNH	DNH	DNH	For	For	For	For	For	For	For
CalPERS	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
CalSTRS	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH
Capital Group	DNH	For	For	For	For	For	For	DNH	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For
Columbia Threadneedle	For	For	Against	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
Credit Suisse Asset Management	Against	For	Against	For	For	For	For	Against	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH
Danica Pension	DNH	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNH	For	For	For	For	For	For	For
Federated Investment Management Company	DNH	For	For	For	For	For	For	DNH	For	For	For	For	For	For	DNH	DNH	DNH	DNH	DNH	DNH	DNH
Fidelity International	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
Fidelity Management and Research	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For
Franklin Templeton	For	For	Split	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNV	DNV
Goldman Sachs Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
HSBC Global Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
Invesco	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
Janus Henderson	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH
J.P. Morgan Asset Management	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
La Française Group	DNH	For	Against	For	For	For	For	For	DNH	DNH	DNH	DNH	DNH	DNH	For	For	For	For	For	DNH	DNH
Legal & General Investment Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
M&G Investment Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH
MN	DNH	For	For	For	DNH	DNH	DNH	DNH	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For
Morgan Stanley Investment Management	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
Newton Investment Management	DNH	For	For	For	For	For	For	DNH	For	For	For	DNH	DNH	DNH	For	For	For	DNH	DNH	For	For
New York City Pension Funds	For	For	For	Abstain	Abstain	For	For	For	For	For	Abstain	Abstain	For	For	For	For	Abstain	For	Abstain	DNH	DNH
Norges Bank Investment Management	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNH	For	For	For	For	For	DNH	DNH
Northern Trust	For	For	Split with majority For (1 fund against)	For	For	For	For	For	For	For	For	For	For	Split with majority For (1 fund against)	For	For	For	DNH	DNH	DNV	DNV
Nuveen	DNH	For	For	For	DNH	DNH	DNH	DNH	For	For	For	For	For	For	For	For	For	DNH	DNH	DNV	DNV
PGIM Quantitative Solutions	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNV	DNV
PGGM	For	For	For	For	For	For	For	For	DNH	DNH	DNH	For	For	For	For	For	For	DNH	DNH	For	For
Pictet Asset Management	For	For	Against	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
Rathbone Investment Management	DNH	For	For	For	For	For	For	DNH	Against	Against	Against	For	For	For	For	DNH	DNH	For	For	DNH	DNH
Robeco	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	Against	For	For
Royal London Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV
Sarasin & Partners	DNH	Against	Abstain	Against	For	For	For	DNH	Against	Against	Against	DNH	DNH	DNH	For	Against	Abstain	DNH	DNH	Against	Against
Schroders	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	DNH	DNH	DNH	DNH
State Street Global Advisors	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
T. Rowe Price	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	DNV	DNV
UBS Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
USS	DNH	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
Vanguard	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For
Wellington Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	DNV	DNV

Company (Issuer)	BP Plc	BP Plc	BP Plc	Enel SPA	Volkswagen AG	Shell plc	Shell plc	Shell plc	Renault SA	Renault SA	Exxon Mobil Corporation	Exxon Mobil Corporation	Total Energies SE	Total Energies SE	Total Energies SE	Compagnie de Saint-Gobain SA	Compagnie de Saint-Gobain SA	Chevron Corporation	Chevron Corporation	Mercedes-Benz Group	Mercedes-Benz Group	Votes cast	Votes against mgmt	%
Ticker	BP	BP	BP	ENEL	VOW3	SHEL	SHEL	SHEL	RNO	RNO	XOM	XOM	TTE	TTE	TTE	SGO	SGO	CVX	CVX	MBG	MBG			
Meeting Date	12/05/2022	12/05/2022	12/05/2022	19/05/2022	12/05/2022	24/05/2022	24/05/2022	24/05/2022	25/05/2022	25/05/2022	25/05/2022	25/05/2022	25/05/2022	25/05/2022	25/05/2022	02/06/2022	02/06/2022	25/05/2022	25/05/2022	29/04/2022	29/04/2022			
Proponent	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Shareholder	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Mgmt	Shareholder	Mgmt	Mgmt	Mgmt			
Resolution Number	14	11	1	1	6	14	7	1	1	2	8	2	1	14	15	1	15	6	2	5.1	5.2			
Proposal	Reappoint Auditors (Deloitte)	Re-elect Tushar Morzaria (audit committee Chair)	Accept Financial Statements and Statutory Reports	Accept Financial Statements and Statutory Reports	Ratify Auditor (E&Y)	Reappoint Auditors (EY)	Re-elect Ann Godbehere (audit committee Chair)	Accept Financial Statements and Statutory Reports	Approve Financial Statements and Statutory Reports	Approve Consolidat-ed Financial Statements and Statutory Reports	Report on scenario analysis consistent with Interna-tional Energy Agency's Net Zero by 2050	Ratify Auditors (PWC)	Approve Financial Statements and Statutory Reports	Renew appointment of Ernst & Young Audit as Auditor	Appoint Cabinet Pricewater-housCoopers Audit as Auditor	Approve Financial Statements and Statutory Reports	Appoint auditor (Deloitte)	Issue Audited Net-Zero Scenario Analysis Report	Ratify Auditors (PWC)	Ratify KPMG AG as Auditors for Fiscal Year 2022	Ratify KPMG AG as Auditors for the 2023 Interim Financial Statements until the 2023 AGM			
Result %	99.7/0.3	98.8/1.2	99.6/0.4	100	99.9/0.1	99.9/0.1	98.2/1.8	98.4/1.6	90.9/9.1	90.9/9.1	51/49	96.8/3.2	99.5/0.5	93.8/6.2	98.8/1.2	99.9/0.1	99.8/0.2	38.7/61.3	97.1/2.9	89.0/11.0	90.5/9.5			
abrdn	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	40	5	12.50%
AEGON Investment Management B.V.	For	For	For	DNH	For	For	For	For	For	For	DNH	DNH	For	For	For	For	For	For	For	For	For	33	2	6.06%
Allianz Global Investors	For	For	For	For	For	For	For	For	For	For	For	Against	For	Split	For	For	For	For	Against	Against	Against	40	6	15%
Allspring Global Investors	For	For	For	For	DNH	For	For	For	DNH	DNH	For	For	For	For	For	For	For	For	For	For	For	36	2	5.55%
Amundi Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	42	4	9.52%
Aviva Investors	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	42	9	21.42%
Axa Investment Managers	For	For	For	For	DNH	For	For	For	For	For	For	Against.	For	For	For	For	For	For	Against	Against.	Against.	35	6	17.14%
APG Asset Management	For	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For	For	For	For	DNH	DNH	For	For	32	0	0
BlackRock	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	42	1	2.38%
BMO Global Asset Management	For	For	For	For	DNH	For	For	For	DNH	DNH	For	Split (2 v 2)	For	For	For	For	For	For	Split	Against	Against	34	5	14.70%
BNP Paribas Asset Management	For	For	Against	For	For	For	For	Against	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	38	9	23.68%
CalPERS	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	42	2	4.76%
CalSTRS	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	40	7	17.50%
Capital Group	For	For	For	For	DNH	For	For	For	For	For	Split	For	For	For	For	For	For	Split	For	Against	For	37	2	5.40%
Columbia Threadneedle	For	For	For	For	DNH	For	For	For	DNH	DNH	For	For	For	For	For	For	For	For	For	For	For	37	3	8.10%
Credit Suisse Asset Management	For	For	For	For	Against	For	For	For	DNH	DNH	For	For	For	For	For	For	For	For	For	Against	Against	38	8	21.05%
Danica Pension	For	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For	For	For	For	For	For	For	For	36	1	2.78%
Federated Investment Management Company	For	For	For	For	DNH	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	DNH	DNH	30	0	0
Fidelity International	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	42	6	14.29%
Fidelity Management and Research	For	For	For	For	DNH	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	39	0	0
Franklin Templeton	For	For	For	For	For	For	For	For	For	For	Split	For	For	For	For	For	For	Against	For	For	For	38	1	2.63%
Goldman Sachs Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	40	2	5%
HSBC Global Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	40	1	2.50%
Invesco	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	40	1	2.50%
Janus Henderson	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	39	2	5.12%
J.P. Morgan Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	39	2	5.12%
La Française Group	For	For	For	Against	For	For	For	For	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For	31	3	9.68%
Legal & General Investment Management	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	43	6	13.95%
M&G Investment Management	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	40	4	10%
MN	For	For	For	For	DNH	For	For	For	DNH	DNH	DNH	DNH	For	For	For	For	For	DNH	DNH	DNH	DNH	26	0	0
Morgan Stanley Investment Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	41	2	4.9%
Newton Investment Management	For	For	For	For	DNH	For	For	For	DNH	DNH	For	Against	DNH	DNH	DNH	DNH	DNH	For	Against	For	For	27	4	14.81%
New York City Pension Funds	For	For	Abstain	Abstain	For	For	For	Abstain	Abstain	Abstain	For	For	Abstain	For	For	Abstain	For	For	For	Against	Against	40	17	42.5% (excluding abstentions on Financial statements: 5%)
Norges Bank Investment Management	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	37	0	0
Northern Trust	For	For	For	For	For	For	Split with majority For (1 fund against)	For	For	For	For	For	For	For	For	For	For	For	For	For	For	38	2	5.26%
Nuveen	For	For	For	For	DNH	For	For	For	DNH	DNH	For	For	For	For	For	For	For	For	For	DNH	DNH	28	2	7.14%
PGIM Quantitative Solutions	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	38	2	5.26%
PGGM	For	For	For	For	For	For	For	For	For	For	DNH	DNH	For	For	For	Against	For	For	For	For	For	35	2	5.71%
Pictet Asset Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	42	3	7.14%
Rathbone Investment Management	For	For	For	DNH	For	For	For	For	DNH	DNH	For	For	For	For	For	DNH	DNH	For	For	For	For	31	5	16.13%
Robeco	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	Against	Against	41	5	12.2%
Royal London Asset Management	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	40	6	15%
Sarasin & Partners	For	For	For	For	DNH	Abstain	Abstain	Against	DNH	DNH	For	Against	Against	Against	For	DNH	DNH	For	Against	DNH	DNH	28	19	67.86%
Schroders	For	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	38	7	18.42%
State Street Global Advisors	For	For	For	For	For	For	For	For	For	For	Abstain	For	For	For	For	For	For	split but majority of funds Against (1 fund for)	For	For	For	42	1	2.38%
T. Rowe Price	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	37	0	0
UBS Asset Management	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	43	0	0
USS	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	Against	Against	41	7	17.07%
Vanguard	For	For	For	For	For	For	For	For	For	For	Against	For	For	For	For	For	For	Against	For	For	For	42	0	0
Wellington Management	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	For	40	2	5%

DNV = Did not vote
DNH = Does not hold

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Greenpeace is a movement of people who are passionate about defending the natural world from destruction. Our vision is a greener, healthier and more peaceful planet, one that can sustain life for generations to come. www.greenpeace.org.uk/

Endnotes

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