

# 50/50 Climate Project

## NEW ASSET MANAGER SCORECARD REPORT FINDS LARGEST ASSET MANAGERS FAILING TO HOLD CARBON-INTENSIVE COMPANIES ACCOUNTABLE ON CLIMATE CHANGE

### BlackRock and Vanguard Supported a Third or Less of Shareholder Climate Proposals

### 13 Largest Asset Managers Overwhelmingly Supported Management's Director Nominees and Executive Pay Plans Among Carbon Intensive Industries

**WASHINGTON, D.C., September 12, 2018** – A new report analyzing the world's thirteen largest asset managers' U.S. proxy voting in carbon-intensive industries reveals that they're exerting limited and uneven influence over management, despite calls from shareholders to de-carbonize corporate business models. Overall, the managers demonstrated a high degree of alignment with company management. Moreover, the largest asset managers show the least support for shareholder climate proposals—BlackRock and Vanguard supported only 23 percent and 33 percent, respectively, of climate proposals related to addressing climate change.

The study, *2018 Asset Manager Climate Scorecard*, is authored by Kimberly Gladman, Research Director with the 50/50 Climate Project (50/50). It is the first study to take a comprehensive look at both climate-related and management proxy voting for U.S. utilities, oil and gas companies, as well as automakers including General Motors and Ford.

Download the report [here](#).

“Despite investor calls to address the climate crisis, the largest asset managers are not putting pressure on the management of carbon-intensive companies,” Gladman said. “Uneven support of shareholder climate resolutions and resounding support for management proposals tells companies to stick with the status quo. Investor votes speak louder than their words—and their voting signals a lack of concern and fails to incentivize progress when it comes to de-carbonizing,” Gladman explained.

BlackRock, the world's largest asset manager, stresses its climate-related engagement in various reports, but its proxy voting is inconsistent. The scorecard indicates that the company supported only 23 percent of climate-related shareholder resolutions and opposed 100 percent of shareholder political influence proposals. Similarly, Vanguard supported only 33 percent of climate-related shareholder proposals and opposed every political influence proposal.

Both BlackRock and Vanguard showed a high degree of overall alignment with management. Each voted in line with management recommendations 98 percent of the time—voting in favor of 98 percent of executive compensation proposals and 99 percent of management-nominated directors.

“There was a bright spot, however, in our research,” Gladman said. “PIMCO and Legal & General, for example, stood out as climate leaders rather than laggards. But given that the largest investment managers often hold the swing vote on contentious proposals, their voting

patterns represent a missed opportunity to send a clear message to company management about the importance of climate issues.”

The analysis found support for management recommendations in the industries studied was lowest at PIMCO (72.6 percent) and Legal & General (81.1 percent). These managers expressed strong dissent to management on climate, supporting 75 percent and 85 percent of shareholder resolutions, respectively. Both firms supported 100 percent of shareholder proposals on political influence disclosure.

The report’s key findings are as follows:

- **There is a positive trend of increasing support for shareholder proposals on climate change and political influence disclosure.**
- **There is a clear pattern of leaders and laggards, with the largest asset managers showing the least support on key climate and political disclosures votes.**
- **Lack of support from the largest asset managers resulted in lost opportunities to signal strong investor concern with climate at key companies because asset managers with large ownership stakes voted with management despite clear concern on the part of climate-aware investors.**
- **The 13 largest asset managers averaged 96 percent support for management’s director nominees and 91 percent support for executive compensation plans. Despite the urgency of the climate crisis, asset managers are not using these powerful mechanisms to hold management teams accountable.**
- **Certain asset managers, including BlackRock, refuse to vote in favor of shareholder proposals if the companies concerned are engaging with the asset manager, but they do not disclose to investors the results of those engagements.**

Previous 50/50 studies examined asset manager voting on a key subset of climate-related votes. This new study expands the methodology to examine all votes cast on climate, political spending, directors and pay at all S&P 500 companies in the utilities and oil and gas industries, as well as for automakers General Motors and Ford. The asset manager universe in the study includes the thirteen largest global asset managers reporting mutual fund votes, each with more than \$1 trillion in assets for the year ending December 2017.

**The 50/50 Climate Project** works with investors at the 50 largest pension funds, sovereign wealth funds, and endowments. Its mission is to engage the 50 largest carbon footprint public companies to create effective long-term climate change strategies. Founded in 2014 and located in Washington, D.C., this non-profit provides resources for institutional investors to engage public company boards to respond to the challenges and opportunities presented by climate change and to increase their climate competency. More information is available at [5050climate.org](https://5050climate.org).

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