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State Street and BlackRock Provide Some Guidance (& State Street Expands Voting Choice)



As the proxy season barrels into its waning days, we have been getting a flurry of guidance from some of the larger institutional investors, including:

1. [State Street's Press Release on Extending Proxy Voting Choice to ETFs and Mutual Funds](#) - State Street is extending proxy voting choice to ETF and mutual funds. The program will cover more than 80% of "eligible" index equity assets by the end of 2023, with a goal to include all eligible index equity US SPDR ETFs and mutual funds by the end of 2024. Investors can choose from a list of ISS voting policy options, including: the (1) ISS Benchmark Policy, (ii) ISS Sustainability Policy; (iii) ISS Socially Responsible Investment Policy; (iv) ISS Catholic Faith-Based Policy; (v) ISS Public Fund Policy; (vi) ISS Taft-Hartley Policy; or (vii) ISS Board Aligned Policy (US only).

2. [State Street's Guidance on Disclosure Expectations for Effective Climate Transition Plans](#) - This guidance lists the disclosure criteria that State Street wants companies with climate transition plan to address, noting that it may vote against directors of companies in certain sectors that don't implement and communicate effective oversight of climate transition risks and fail to demonstrate responsiveness (including sufficient disclosure) following engagement.

3. [BlackRock's Investment Stewardship Annual Report](#) - This report covers activities ending December 31, 2022, and has a host of interesting statistics. In the Americas region, BlackRock supported: 29% of environmental shareholder proposals; 18% of social shareholder proposals; 15% of governance shareholder proposals and 92.5% of directors. Consistent with what was [reported](#) in Blackrock's August 2022 Stewardship Report (that covered voting through June 30, 2022), BlackRock attributed the decline in shareholder support for E&S shareholder proposals in the U.S. to shareholder proposals becoming more prescriptive following Corp Fin's Staff Legal Bulletin No. 14L.

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