

By First Affirmative Financial Network

Coming Soon: Proxy Season 2023

Most shareholder proposals have already been filed by proponents for 2023 annual corporate meetings, many of which will be held during the late spring and early summer months. According to [Proxy Preview](#), a comprehensive overview of environmental, social, and sustainable governance shareholder proposals filed each year, over 540 proposals have been filed so far, putting 2023 on track to match or exceed the record-breaking 2022 total of 627.

Climate continues to be the issue of most concern, with 23% of all proposals directly addressing climate. As we noted in our previous Advocacy and Impact newsletter, many issues we address cross multiple categories, and this is certainly true of climate. If climate related shareholder proposals classified elsewhere were included, such as our lobbying proposals at Disney and Travelers that have a strong climate component, the predominance of climate as an issue would be even more apparent.

This focus on climate is fortuitous, as it coincides with the final part of the sixth assessment report conducted by the Intergovernmental Panel on Climate Change. These [key findings](#) are an urgent and sobering summary of the thousands of pages compiled by hundreds of scientists, but the UN secretary general, António Guterres, summarized the report's significance in two simple sentences:

"This report is a clarion call to massively fast-track climate efforts by every country and every sector and on every timeframe. Our world needs climate action on all fronts: everything, everywhere, all at once."

First Affirmative Proposals

First Affirmative filed [six](#) shareholder proposals this year, addressing climate, lobbying, and sick leave issues.

Our lobbying proposals at both Disney and Travelers have been withdrawn after agreements were achieved with the companies. Our recent [blog post](#) provided details of our ultimate success in achieving an agreement with Travelers after our majority vote in 2022. The company has since delivered on their commitment by posting [trade association lobbying](#). This concluded a seven-year campaign to bring this company up to best practice.

Proposals that appear to be headed for a shareholder vote include a proposal at CVS addressing sick leave policies and proposals at Alphabet and UPS asking for a report addressing misalignment between climate lobbying and the Paris Agreement goal to limit warming to 1.5°. Our co-filing at Amazon asking for full disclosure of Scope 3 greenhouse gas emissions has been challenged by the company and we are awaiting a decision by the SEC.

How Will We Vote?

Our [proxy voting guidelines](#) have been updated for 2023. Although our votes on shareholder proposals are certainly a focus, management proposals addressing board of director composition, executive compensation, auditors, climate accountability and an array of governance issues make up the majority of annual meeting ballots. Our guidelines are designed to 1) support the implementation of best corporate practices that are grounded in ESG principles and 2) discourage corporate behavior that may result in financial gain for a company by the improper transfer of cost and risk to the detriment of society, the broad economy, and our client portfolios.



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