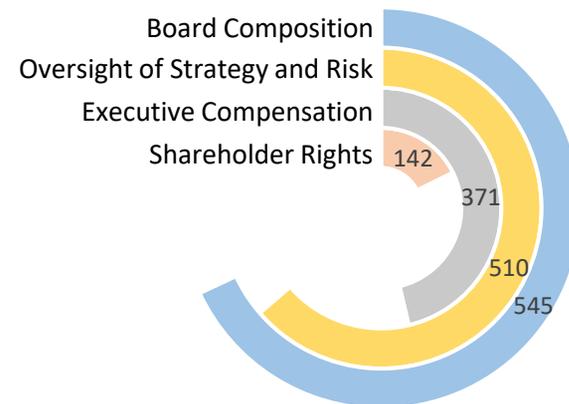


Vanguard released its 2022 Investment Stewardship Semiannual Report on September 16, 2022, detailing its stewardship and proxy voting activities for the six months ended June 30, 2022. During the period, Vanguard engaged with **801** companies representing **\$2.2 trillion in equity AUM** (see Figure 1 below).

Vanguard’s stewardship activities are grounded in four principles of good governance:

- I. **Board Composition and Effectiveness**
 - Effective boards are independent and reflect diversity of skill, experience, and characteristics (gender, race, and ethnicity)
- II. **Oversight of Strategy and Risk**
 - Boards should be active in the formation of strategy, and the identification and management of material risks
- III. **Executive Compensation**
 - Performance-linked pay drives sustainable long-term value
- IV. **Shareholder Rights**
 - Certain rights and governance provisions empower shareholders to ensure accountability of a company’s board

Figure 1. Engagements by Primary Topic



of engagements, 1H 2022

2022 Investment Stewardship Semiannual Report, Appendix

Trends in the Americas:

- **Board Effectiveness and Diversity**
 - **US and CA** – Board diversity (skill sets and characteristics) and director capacity remained a focus
 - **Latin America** – Vanguard focused on best practices for board independence, risk oversight and disclosure
- **Rise in E&S Shareholder Proposals**
 - Revised SEC rules led to an increase in shareholder proposals; many targeted social and environmental policy that were either overly prescriptive or not clearly linked to long-term value creation
 - Investors continued to focus on diversity and social issues – seeking disclosure on boardroom and workforce diversity levels, as well as the effectiveness of companies’ diversity, equity, and inclusion (DEI) strategies
- **Board Oversight and Corporate Political Activity**
 - More disclosure was sought for board oversight efforts, lobbying expenditures, and trade association memberships

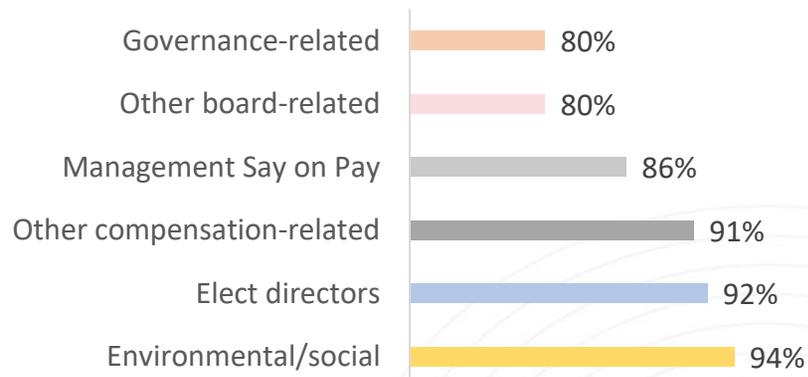
Other Global Themes in 2022

- **Say on Climate**
 - Vanguard funds supported all management Say on Climate proposals submitted in the EMEA region
 - Certain climate-related proposals submitted by shareholder groups were not supported at companies including Shell, BP, Equinor, and Total, as the requests were considered to be overly prescriptive given the actions and disclosures already implemented
- **Board composition**
 - Vanguard funds contacted all the companies in the FTSE 350 that were falling behind the market standard on gender diversity of 40% women representation by the end of 2025, and at least one woman in the chair or senior independent director role and/or in the CEO or finance director role; Vanguard did not support the election of directors of 45 companies
- **Russia's invasion of Ukraine**
 - For companies exposed to Russia, either directly or through their value chain, the funds sought to better understand how they govern risk and how they were making decisions in this evolving environment
 - Key risks identified and discussed included energy shortages, supply chain disruptions, sanction rules and potential expropriations or write-offs

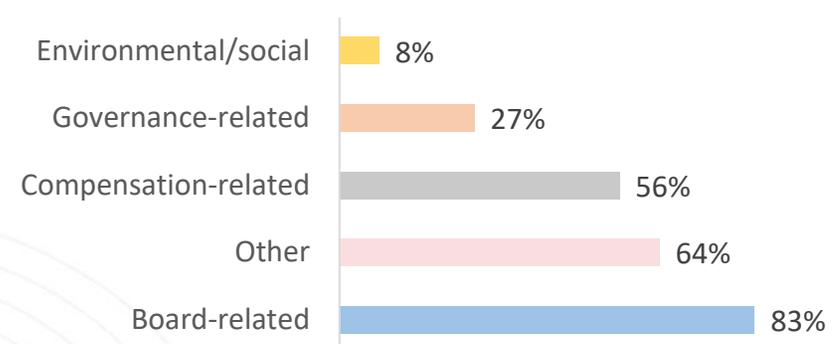
Proxy Voting Overview

- Vanguard voted on **143,728** proposals in 2022, up approximately 5% from the same period the year before

1H 2022 – Management Proposal Support by Topic



1H 2022 – Shareholder Proposal Support by Topic



Sourced from 2022 Investment Stewardship Semiannual Report (Pg 49)



Understand How ESG Weighs into Investor Considerations to Make Your Next Engagement More Successful.

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*Our Proprietary **ESG Engagement Dashboard™** allows you to leverage technology and data to optimize your shareholder interactions.*

ZMH Advisors LLC. is a technology-based shareholder and ESG advisory firm. We combine two decades of corporate governance and investor engagement experience with next-gen data analytics to deliver customized solutions for clients ranging from pre-IPO to S&P 500 companies. Our data-driven approach is powered by a proprietary **ESG Engagement Dashboard™**, which provides unique insights on investors with \$50T AUM.

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