



Calvert Research and Management Engagement and Proxy Voting Overview

Key Takeaways



Calvert Research and Management (Calvert) was founded in 1976, was acquired by Morgan Stanley Investment Management in 2021, and has **\$32.6 billion** in AUM as of June 30, 2022. The Calvert Principles for Responsible Investment (Calvert Principles) provide a framework for the firm's investment evaluation and stewardship through active engagement with companies and other issuers. These principles seek to work towards:

- Environmental sustainability and resource efficiency (Environmental);
- Equitable Societies and respect for human rights (Social); and
- Accountable Governance and transparent operations (Governance)

Engagement Activity

In June 2022, Calvert released the [Tools of Change 2022 Calvert Engagement Report](#) summarizing its engagement and proxy voting activity for 2021. The engagement program for the year largely focused on dialogues on public disclosure of EEO-1 data, improving board/employee diversity, climate change, workplace rights and the ability to manage through a global energy transition.

Key Themes for 2021:

Diversity & Inclusion

- Calvert filed a total of 19 shareholder proposals on EEO-1 and human capital issues; 13 were withdrawn following successful engagement where the companies agreed to publish their EEO-1 reports
- Calvert wrote to the 100 largest companies in its portfolios, encouraging them to release their EEO-1 reports; among the 88 companies that agreed to release their reports, 70 had not done so previously
- Calvert filed resolutions for the companies that openly declined to disclose or failed to acknowledge its request

Climate Change

- Calvert expects companies to set realistic “net zero” or science-based emissions reductions targets
- Calvert encouraged companies to align reporting with the Task Force on Climate-related Financial Disclosures (TCFD), setting clearly defined GHG emissions reduction targets
- Calvert encouraged companies to align “lobbying activities with the Paris Agreement’s goal of limiting temperature rise to 1.5 C”

Proxy Voting Overview for 2021

Diversity & Inclusion –

- Calvert opposes nominating committees of boards that aren't at least 40% diverse
- Voted against or withheld from **35.4%** director seats in the U.S
- Voted against **52.2%** "Say on Pay" proposals

Climate Change –

- Calvert examines how companies follow through on the commitments made on disclosure, governance etc.
- Supported **86%** of U.S. environmental proposals
- Voted in favor of **40** out of 65 climate proposals
- Calvert did not support shareholder proposals that were deemed overly prescriptive
- Calvert abstained on say-on-climate proposals, because the disclosure framework remains somewhat ambiguous and untested

2022 Engagement Themes

- **Climate Change** – improved disclosure, strategy, governance and execution
- **Diversity, Equity and Inclusion** – EEO-1 reporting, diversity performance, workplace inequality
- **Human Capital Management** – integration into existing diversity and climate engagements
- **Data and Artificial Intelligence**
- **Environment, Health and Safety**
- **Product Impact**
- **Access to Medicine**



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

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