

Mellon Investments Corporation (MIC) is a registered investment adviser and subsidiary of The Bank of New York Mellon Corporation (BNY Mellon). MIC is composed of two divisions: Mellon, which specializes in index management, and Dreyfus, which specializes in cash management and short duration strategies. In October 2022, Mellon published its Semiannual Proxy Voting Report summarizing its proxy voting and engagements for the period Jan 1 – June 30, 2022.

Shareholder Proposals Overview

Mellon reviewed and voted on **506** shareholder proposals during this period in 2022 (this is a 27% increase from the **399** proposals voted on at the same six-month period last year). Mellon notes that while the overall number of shareholder proposals increased, average support for the proposals decreased in 2022. Mellon expects to increase corporate engagement as the investment adviser intends to communicate with companies about their response to all shareholder proposals, both passed and failed, that received support above 40%.

Key ESG Voting Principles

Environmental

- Support proposals calling for increased disclosure surrounding emissions and waste reduction
- Support proposals requesting climate reduction targets considering its peers and materiality to the industry
- Evaluate proposals based on time horizon, pragmatic cost impacts, and alignment with broader business goals

Social

- Human capital matters – a diverse work force, pay equity, health and safety of employees and customers enhance a company's ability to create long-term value
- Vote FOR proposals requiring disclosures, policies, and procedures that promote and protect human capital considerations or address areas of weakness that could impact operations

Governance

- Promote structures that align the interests of the board and management with shareholders
- Consider tenure, relevant experience, and diversity – geography, thought, gender, race, and ethnicity – in director voting
- Elect independent directors and separate the roles of CEO and chairperson to alleviate conflicts of interest and enhance communication between leadership and shareholders



Mellon

Semiannual 2022 Proxy Voting Report



Select Proxy Case Studies in 2022

Company & Date	Proposal	Vote	Vote (% support)*	Rationale
Apple Inc. (March 2022)	Oversee third-party audit analyzing the impact of policies and practices on the civil rights of company stakeholders	Supported	53.6%	Company has faced scrutiny on this topic in the past; can cause human capital management issues and reputational damage in the future
Charter Communications, Inc. (April 2022)	Adopt policy to annually disclose the consolidated Equal Employment Opportunity (EEO-1) Data Report	Supported	44.7%	Such disclosure would offer insight into diversity-related human capital risks
Costco Wholesale Corporation (January 2022)	Request report on green-house gas (GHG) emissions reduction targets	Supported	70.0%	Company lagged peers as it did not provide board oversight of climate issues, and did not provide targets/reporting in alignment with the Task Force on Climate-related Financial Disclosures (TCFD)
Archer-Daniels-Midland Company (May 2022)	Report on if and how company is measuring the use of pesticides that cause harm to human health and the environment in its agricultural supply chains	Supported	33.7%	Company did not provide targets on pesticide use, while many of its peers did
Hewlett Packard Enterprise Company (April 2022)	Say-on-Pay proposal	Did not support	90.0%	Structure of the long-term incentive plan was 50% performance-based equity and 50% time-based equity; given its market cap, Mellon prefers at least two-thirds of equity grants to be performance-based
Abbott Laboratories (April 2022)	Reduce ownership threshold required for shareholders to call a special meeting from 20% to 10%	Supported	47.2%	Given its market-cap size, Mellon prefers the threshold to be at 10% for these types of proposals

*% of shares cast FOR the proposal, rounded to one decimal point



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

[ESG Roadshows](#)

[Data-Driven ESG Strategy](#)

What ZMH Can Do for You

*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.

Know what could be asked during an engagement

Stay up to date on investor's ESG priorities

Access to 1000+ case studies & detailed analysis

Understand how investors will vote on your ballot

Gain access to 7M NPX voting records & governance policies

Contact information & key players at each firm

CONTACT US TO SCHEDULE A DEMO

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