

AllianceBernstein

Engagement and Proxy Voting Overview

Key Takeaways

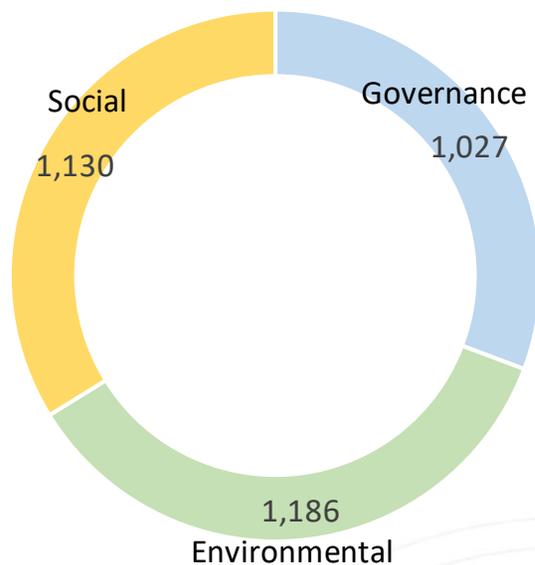
AllianceBernstein (AB) is a global asset management firm with **\$676 B AUM** (as of March 2023), with \$464 billion being integrated with ESG considerations. AB released its AB Global Stewardship Statement and 2022 Report detailing its engagement and proxy voting efforts for 2022.

Engagement Overview

- AB had **1932** engagements, with 6032 separate ESG discussion topics in 2022
- 44% of its engagements was in North America

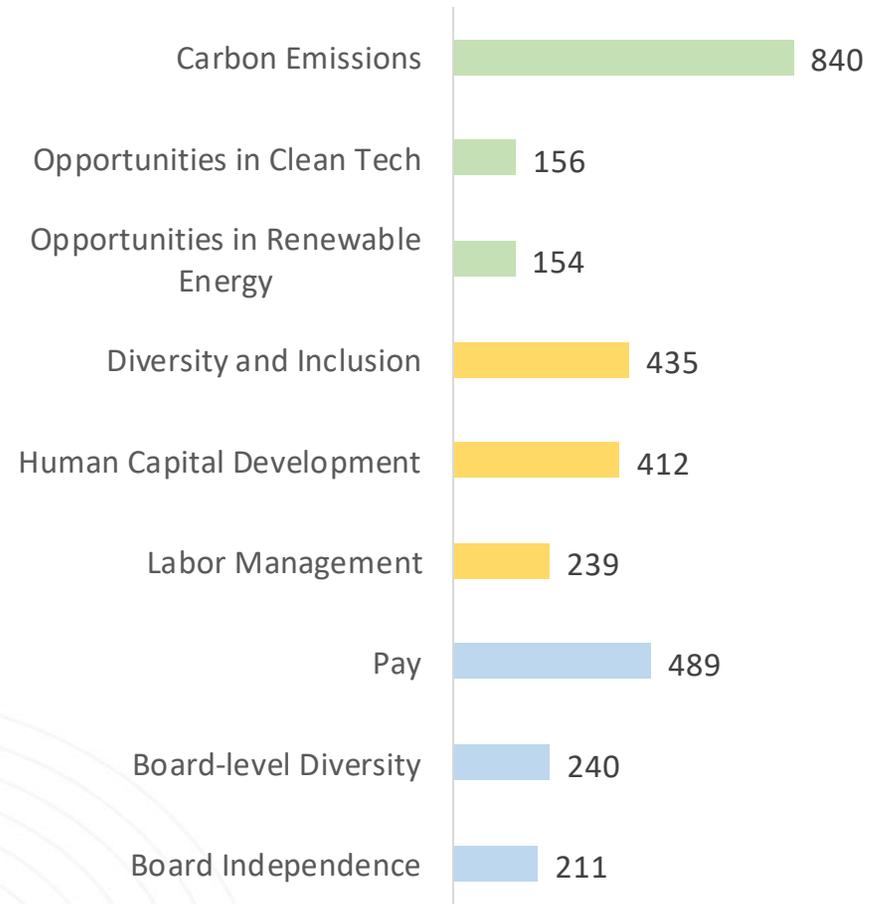
The details of the engagements for 2022 is provided below.

Fig.1 2022 Engagements by Theme



(Pg 42, AB Global Stewardship Statement and 2022 Report)

2022 Top 3 ESG Discussion Topics by Frequency



Proxy Voting Overview

To clarify its approach to engagement and proxy voting, AB organizes its vote disclosures into three categories:

1. **Escalation votes** - votes on recurring issues that have not been adequately addressed, despite past engagement/voting
2. **Pre-disclosed vote intentions** - voting intention disclosed prior to an annual meeting, with an emphasis on proposals that impact a range of key topics where AB has expressed its viewpoints publicly
3. **Significant votes** - votes identified based on several factors including AB's stake in the company and the materiality of the request to the company's business and shareholder value

This post profiles two instances where votes cast in 2023 were impacted by escalation votes: **Meta Platforms, Inc**, which had compensation issues that turned AB's vote on compensation committee directors from a "WITHOLD" in 2022 to an "AGAINST" in 2023, and **Amazon.com Inc**, which received AB's support for the same shareholder proposal in 2022, and again in 2023.

2023 Pre-Disclosed Vote Intentions

Company	Proposal	Pre-Disclosed Vote Intention	Rationale
Meta Platforms, Inc	Management proposal: Election of four Directors (compensation committee chair as well as all committee incumbents)	AGAINST	Unresolved multi-year structural misalignment between pay and performance
	Shareholder proposal: Publish an independent third-party Human Rights Impact Assessment (HRIA)	FOR	Support for proposal is warranted given ongoing scrutiny around company's targeted advertising practices
Amazon.com, Inc	Shareholder proposal: Request to commission an independent study of Rekognition and report to shareholders	FOR	Action appears value additive and informative about unintended risks that could potentially arise with misuse or abuse of the Rekognition product

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Key Takeaways – Contd.



Escalation votes are described by AllianceBernstein as votes that highlight unaddressed multi-year concerns that AB raised through prior voting or engagement. When AB includes a proposal in the “escalation vote” category for a given year, it has shown a willingness to continue applying pressure in the following years if the issue remains unresolved.

The details of the escalation votes in 2022 leading to the votes against management at Meta and Amazon in 2023 are detailed in the table below.

2022 Escalation Votes

Company	Proposal	Vote Instruction	Rationale
Meta Platforms, Inc	Management proposal: Election of Peggy Alford	WITHOLD	The nominee is the chair of the compensation committee, and unresolved multiyear pay concerns remain with structural misalignment between pay and performance.
	Shareholder proposal: Report on risks associated with use of concealment clauses	FOR	Greater transparency on the Company’s concealment clauses in all forms would add value for shareholders to understand the potential risks.
Amazon.com, Inc	Shareholder proposal: Request to commission an independent study of Rekognition and report to shareholders	FOR	AB agrees with the proponent that Amazon should perform a similar exercise for Rekognition as it has done with Ring. Simply because the Rekognition product isn’t used as a surveillance tool or isn’t intended as a surveillance tool does not guarantee the absence of misuse cases or potentially harmful impact on users and communities.



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

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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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