

ESG Spotlight: Costco

In the ever-evolving landscape of ESG (Environmental, Social, and Governance) responsibilities, asset management firms are leading the charge for positive change. As part of this evolution, Vanguard began publishing quarterly engagement and voting efforts in 2023. BlackRock has recently enhanced its stewardship disclosures by narrowing down their engagement subthemes.

Other investors like AllianceBernstein and Neuberger Berman (NB) have continued to proactively disclose their voting intentions in advance of annual meetings. These intentions serve as powerful signals to companies regarding their priorities and expectations.

Why is this information so important? Your team needs relevant data before you engage with investors. By demonstrating responsiveness and elucidating your commitment to addressing investor priorities, you can positively impact investors' view of your company and more importantly, how they vote at the shareholder meeting.

ZMH Investor Engagement Dashboard

Our AI-powered data dashboards archive 2,500+ case studies, NPX data, investor policies, and shareholder proposals, for end-to-end corporate research on institutional investors and their engagement and voting tendencies.

Case study: 2023 Costco Investor Engagement with Costco and 2023 Voting Impact

In 2022, Neuberger Berman (NB) implemented a new voting guideline where it may hold the chair of the nominating and governance committee accountable if a board fails to establish oversight of ESG matters at either the full board or board committee level. NB engaged with Costco on its lack of formal board oversight of critical ESG issues and proceeded to withhold support from the chair of Costco's nominating and governance committee, Mr. Jeffrey S. Raikes in 2022.

Costco updated the nominating and governance committee charter to give the committee oversight of important strategic decisions, including “environmental, diversity and sustainability policies and initiatives, including climate-related risks and opportunities.”. It also committed to setting science-based emissions reduction targets.

NB was satisfied with the responsiveness on ESG oversight demonstrated by Costco. In 2023, it supported the reelection of the chair of the nominating and governance committee and pre-disclosed their intentions to do so. This backing came despite concerns about overall board independence and refreshment practices.

In addition to Neuberger Berman, Costco engaged with State Street on Governance and Social themes, and with Vanguard on Board Composition and Effectiveness, and Business Oversight/Risk Management in 2023.

2023 Voting by Top Investors

The below table shows the 2023 director votes for Costco.

Director Proposals	BlackRock	Vanguard*	Vanguard	STATE STREET GLOBAL ADVISORS	N B	2023 Results	YoY Change
Elect Susan L. Decker	FOR	FOR	FOR	AGAINST	FOR	91%	↑
Elect Kenneth D. Denman	FOR	FOR	FOR	FOR	FOR	94%	↓
Elect Richard A. Galanti	FOR	AGAINST	FOR	FOR	AGAINST	92%	None
Elect Hamilton E. James	FOR	FOR	FOR	FOR	FOR	95%	↑
Elect W. Craig Jelinek	FOR	FOR	FOR	FOR	FOR	99%	None
Elect Sally Jewell	FOR	FOR	FOR	FOR	FOR	99%	None
Elect Charles T. Munger	FOR	FOR	FOR	AGAINST	FOR	87%	↑
Elect Jeffrey S. Raikes	FOR	AGAINST	FOR	AGAINST	FOR	81%	None
Elect John W. Stanton	FOR	FOR	FOR	FOR	FOR	99%	None
Elect Ron M. Vachris (new director)	FOR	FOR	FOR	FOR	FOR	97%	N/A
Elect Mary Agnes Wilderotter	FOR	FOR	FOR	FOR	FOR	92%	↑

*Vanguard Growth And Income Fund - Los Angeles Capital

References: Institutional Investor Voting Records

At ZMH, we understand the transformative power of data-driven insights on maintaining and cultivating strong investor relations. By using our proprietary dashboard, you can ensure more predictable and productive shareholder engagement.

Watch 30-second videos on how you can utilize our dashboard to learn more about how investors engaged with Costco.

- [ESG Case Studies](#)
- [Investor Engagement Priorities](#)