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Voting Principles in the ESG Era and Implications for Investors

Introduction: The Principles for Responsible Investment (PRI) are investment principles co-initiated in 2006 by former Secretary General of the United Nations (UN) Kofi Annan, the UN Environment Programme Finance Initiative and the UN Global Compact. The voting principles as recommended by the PRI are a statement of where investors stand on environmental, social and governance (ESG) issues and how they can use their voting rights to highlight these. From 2017 to 2019, Australian pension funds and other investors forced boards of directors to reform by voting against remuneration reports. Since then, investors have begun to address ESG issues, such as climate change, when putting forward proposals and voting in shareholder meetings and more and more investors have adopted PRI voting principles.

This article aims to provide investors with guidance on ESG practices related to the exercise of voting rights by introducing PRI voting principles and their implementation.

I. Why do we need voting principles?

Based on the fundamental framework of modern corporate governance regarding the “separation of ownership and management,”

most investors stay in a “passive” role after fulfilling their duties of capital contribution. In traditional corporate governance, the exercise of voting rights is an escalation strategy for investors, which has been adopted when investors fail in their engagement, or for expressing dissatisfaction with the company’s management. PRI, on the other hand, encourages investors to assume active ownership, using their rights and position as owners to influence the activities and behavior of corporations. Under this context, voting principles mentioned here should be understood as a broadly applicable complement to engagement, rather than a type of escalation strategy.

For investors, the importance of developing and announcing voting principles (in conjunction with the exercise of active ownership) includes but is not limited to:

- 1) Expressing views through voting: Investors can convey their views to directors, employees, other investors, customers and beneficiaries in advance, which allows all parties to make informed decisions and

avoids possible future misunderstandings with management (for example, the support or opposition of a board resolution may be interpreted as a special arrangement against certain management personnel). As a result, investors are more likely to improve a company's sustainability or ESG awareness.

2) Expressing affirmation through voting: Since voting outcomes are increasingly interpreted as evidence that investors are paying attention to ESG issues, good management requires affirmative votes in favor of resolutions which comply with voting principles. Such votes are helpful in assisting management to understand investors' support for certain business strategies. Investors are therefore likely to influence a company's internal priorities and resource allocation.

3) Expressing recommendations through voting: Investors may overlook certain issues when reviewing resolutions, so they should include all procedural or substantive issues which are critical to support the resolutions in the voting principles. Furthermore, investors are to specify whether they oppose certain proposals under a board's review. By announcing the voting principles, investors will be able to support the development of well-constructed proposals and avoid wasting unnecessary resources.

What are the voting principles?

To help investors understand the voting principles, the PRI introduced some guiding examples. The examples include a statement regarding voting in favor of resolutions which comply with the goals of the Paris Agreement (we understand that companies may define the appropriate conditions in which they can practice the principles of the Paris Agreement), and a statement of voting in favor of resolutions in which companies disclose their ESG performance or release examples of their ESG reports.

II. Suggestions

It is advisable that investors develop voting principles that are consistent with active ownership when they have voting rights. Investors can develop their voting principles by referencing their investment philosophies, through understanding the preferences of beneficiaries (depending on the type of asset), and through analyzing risks of investments, as well as the impact caused by or connected to investments. Investors should also consider the nature of the target companies/assets and the industries involved, and the countries' or regions' local regulatory requirements. Before or at the beginning of an investment, investors should formulate and announce their voting principles with respect to the companies in which they invest, according to ESG principles and their own circumstances and implement such principles.

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Note

In drafting this article, we have referred to the official PRI website “Making Voting Count: How principle-based voting on shareholder resolutions can contribute to clear, effective and accountable stewardship.” (<https://www.unpri.org/stewardship/making-voting-count-principle-based-voting-on-shareholder-resolutions/7311.article>)

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君合专题研究报告

2022年12月30日

ESG 专题系列（十八）：ESG 时代下的投票原则及对投资人的启示

导言：联合国投资责任原则（Principles for Responsible Investment, PRI）是由联合国前秘书长科菲-安南于 2006 年牵头、由联合国环境规划署金融倡议组织和联合国全球契约组织联合发起的投资原则倡议。PRI 鼓励的投票原则（Voting Principles）是一种高级别的声明，表明投资者在环境、社会和治理（ESG）问题上的立场，以及投资者如何通过投票来推动上述问题之进展。在 2017 年至 2019 年间，澳大利亚的养老基金等投资者曾通过投票反对薪酬报告，迫使董事会进行变革。尔后，其他公司层面股东的提案与投票开始倾向于解决公众广泛关注的气候变化等 ESG 问题，PRI 投票原则在实践中被不断推广。

本文将通过介绍 PRI 投票原则及其在实践中的操作，为投资人提供与投票权行使相关的 ESG 实践的指引。

一、 为什么需要投票原则？

基于“所有权与经营权相分离”的现代公司治理基本框架，多数股东在完成出资后长期处于“被动”的状态。在传统公司治理中，投票支持股东决议是一种升级策略，发生在参与（Engagement）失败或对公司经营者不满之表达的情形下。而 PRI 倡导投资人行使积极所有权，即投资者使用其所有者的权利和地位对被投资公司的活动和行为进行影响。在此背景下，本文提及的投票原则，则应被理解为对参与的一种广泛适用的补充，而非升级策略。

对于投资人而言，制定并公布投票原则（与积极所有权行使相结合）的意义包括但不限于：

1) 通过投票传达观点：投资者可通过投票将自己的观点事先传达给公司董事和员工、其他投资者以及客户和受益人，使各方都能在更多信息的基础上作出决定，也避免未来与管理层之间可能的误解（如对某项董事会决议的支持或反对被理解为针对个别管理层而做出的特殊安排）。因此，投资者将可能更积极地影响被公司可持续发展或 ESG 意识和能力的建设。

2) 通过投票作出肯定：由于投票结果越来越多地被解读为投资者正关注某一问题的证明，因此良好的尽责管理要求对符合投票原则的决议投赞成票。此类投票有利于使经营管理者认识到投资者对于公司某项方针或战略的认可。与此相关，投资者将可能更多地影响被投资公司的内部优先事项和资源配置。

3) 通过投票提出建议：投资者审查决议的能力可能有所限制，因此其应在投票原则中纳入其认为对支持决议至关重要的所有形式性或实质性问题，明确其有所建议或不支持的决议与提案。通过宣布投票原则，投资者将有助于支持他人制定完善的提案，避免各方不必要的资源投入。

二、 什么是投票原则？

除导言部分的总体概念外，为方便投资者更好的理解投票原则，PRI 对投票原则的具体制定提供了指导性的示例，其示例包括声明对符合《巴黎协定》目标的决议投赞成票（就此，我们理解投资者可以定义适当的适用条件），以及声明对公司披露 ESG 绩效或发布 ESG 报告的决议投赞成票等等。

三、 我们的建议

基于上文的讨论，我们建议：投资人，在享有投票权的情形下，制定与积极所有权相一致的投票原则。投资者可基于自身投资理念、对受益人偏好的了解（视资产类型，如适用）、投资或其组合的风险分析，所识别风险对投资或其组合造成的影响，被投资标的公司/资产及其所述行业特征、国家与地区等本地化政策特征与监管要求，在投资之前或之初即制定并公布（针对，尤其是，其投资的公司）符合 ESG 理念和自身实际情况的投票原则，并践行该等原则。

关于君合 EHS 及 ESG 团队：君合是国际公认的、提供优质法律服务的中国大型综合律师事务所之一，拥有逾千人的专业团队。君合是开拓中国 ESG 法律业务领域的先驱之一并且有中国最大的 EHS 律师团队之一，为客户在 EHS 和 ESG 领域提供法律服务。君合以可持续性为导向，视客户需求，单独或与第三方机构合作，为不同行业的企业提供 EHS 合规审核以及 ISO 37301 合规管理体系认证辅导，并且依托不同的法律及合规专业团队（ESG、EHS、反垄断、劳动人事、知识产权、贸易与数据、财税、商业和刑事

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注：

1. 我们在本研究简讯起草过程中，参考了 PRI 官方网站文章“Making Voting Count: How principle-based voting on shareholder resolutions can contribute to clear, effective and accountable stewardship.” (<https://www.unpri.org/stewardship/making-voting-count-principle-based-voting-on-shareholder-resolutions/7311.article>)

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