

2021 Proxy Season Begins

Proxy season will begin heating up over the coming months and the SBI will receive increasing numbers of proxy ballots from publicly traded companies. The number of voting ballots (and corresponding annual meetings) peak between April and June 2021. SBI Staff will vote the majority of proxy ballots in accordance with the SBI's established Proxy Voting Guidelines and Precedents.



The Board delegates proxy voting responsibilities to its Proxy Committee. The SBI Proxy Committee is composed of a representative selected by each member of the SBI and chaired by the designee of the Governor. The Committee meets on an as-needed basis to review and vote on proxy ballot items not covered by existing precedent and establish new precedents. Traditionally, the Board has re-authorized the Proxy Committee every two years, and will consider reauthorization at its first quarter meeting.

Glass Lewis, the SBI's proxy advisory service, will provide much of the information the SBI Proxy Committee and Staff will evaluate in determining how to vote on a ballot item. Glass Lewis compiles large amounts of disparate data to make researching ballot items more efficient. Proxy advisory services are integral to the SBI's ability to conduct due diligence on companies and proxy ballot items.

Remember to visit the [ESG and Stewardship](#) section of the SBI website for updates throughout the proxy season.



BOARD RESOLUTIONS

Update on Implementing SBI Resolution on Thermal Coal

At the direction of the Executive Director, the SBI Staff have fully implemented investment restrictions that remove as authorized investments publicly traded securities of any company deriving 25% or more of its revenue from thermal coal production, in accordance with the Board's May 29, 2020 [resolution](#).



As of December 31, 2020, the Combined Pension Funds, Non-Retirement program, and State Cash Accounts no longer hold these securities. Staff provided the SBI's external investment managers with a list of restricted investments, which Staff will update on an annual basis.

Coalition Highlight

MSBI Begins PRI Reporting Process

As a committed member of the United Nations backed Principles for Responsible Investment (PRI), in 2021 the SBI will begin annual reporting on the SBI's progress towards evaluating and confronting sustainability related investment risk.

During the reporting process the SBI will compile various data on activities related to ESG risk activities, including various ESG related policies and procedures. Once completed, the SBI will submit a report on the information to the PRI's public reporting database and the report will be made available to the public.

The PRI will produce an assessment report highlighting some of SBI's strengths and areas for improvements in the context of ESG incorporation, stewardship activities, ESG considerations of selecting, appointing and monitoring external managers as well approaches to sustainability outcomes and internal data confidence building measures. PRI will also use the reported data to assess whether MSBI meets the [PRI's minimum requirements](#) and will work with all signatories who do not meet them.

For more information on PRI and the reporting process, please visit [PRI's website](#).



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