



PROXY VOTING HIGHLIGHTS

The WSIB believes proxy voting is one of the most effective and valuable tools for positively influencing companies toward greater board accountability, genuine transparency, and increased focus on material environmental, social and governance (ESG) issues. As with any WSIB asset, our aim is to manage our proxies prudently for the exclusive benefit of our beneficiaries.

THE WSIB'S PROXY VOTING-RELATED OUTCOMES FOR FISCAL YEAR (FY) 2024 INCLUDED:

- Voted 2,970 corporate meetings during the period (FY 2023: 2,993)
- Cast votes on 27,773 individual proposals (FY 2023: 28,378) dealing primarily with the election of directors (67.7 percent of total votes cast), the ratification of auditor (9.4 percent), and advisory vote on executive compensation or "Say on Pay" (SoP) (8.6 percent)
- Voted "against" or "withheld" from 1,905 of the total 18,791 election of director votes during the period (supporting 89.7 percent of nominees)
- Supported 1,980 of the 2,395 SoP resolutions considered during the year (82.7 percent versus 78.4 percent in FY 2023)

Priorities and ESG initiatives are often driven through the shareholder proposal (SHP) process. The number of SHPs fluctuates from year to year, reflecting market trends and regulatory action. Notably, the US Securities and Exchange Commission's (SEC) review process considered more proposals and issued more no-action letters in 2024. Overall, more proposals were submitted in 2024, but regulator exclusions meant the number of SHPs that came before the WSIB was flat compared to 2023.

In FY 2024, the WSIB voted on 692 SHPs. The FY 2024 votes fell into five main categories: social issues (258 votes), governance proposals (214 votes), environmental issues (116 votes), compensation items (85 votes), and additional miscellaneous proposals (19 votes).

Within these diverse topics, proposals covered items including labor relations, technology-related risk management, and climate-related risk and opportunity assessments. Excluding aggregated categories, the most common topics for SHPs were political spending / lobbying (60 votes), elimination of supermajority provisions (44 votes), and independent board chairs (41 votes).

The WSIB supported 46.4 percent of shareholder proposals in FY 2024, declining from 49.6 percent in FY 2023. Two categories contributed to the decrease: relatively small shifts in support around a large number of governance-related proposals, and a larger decline in support for a smaller number of compensation votes where we supported only one in seven proposals (14.2 percent). The change in support for compensation proposals relates to repeated proposals which overlook market norms and regulatory changes. Support for environmental SHPs rose slightly from 34.3 percent in FY 2023 to 39.7 percent in FY 2024.