

OXPROX

A Canadian Perspective

Canada Supplement to the Proxy Voting Divergence Report

How Canadian asset owners vote on ESG issues, compared to Canadian and US Asset Managers



Research Partner

Acknowledgements

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Thank you to the OxProx dev team for playing a vital role in data collection, mapping, and classification.



About OxProx

OxProx is a social venture spun out of Oxford University Innovation, dedicated to amplifying investor stewardship through proxy voting transparency and accountability.

We are building the world's first global, public database of proxy voting records, empowering everyone to see how institutional investors vote on environmental, social, and governance issues at corporate meetings.

We provide data-driven insights to investors, consultancies, NGOs, researchers and other clients whose revenues support the development of the public database. Our database supports stewardship by helping investors benchmark their voting records against peers and identifying alignment gaps with external managers.

Learn more at www.oxprox.org
Contact OxProx at hello@oxprox.org

About Kaivalya Research

At Kaivalya Research, we provide rigorous research, analysis, and governance insight to help clients build the systems, frameworks, and processes that support better decisions and outcomes in complex, evolving environments.

We work with asset owners, investment managers, and companies to navigate policy, capital, and stakeholder expectations. Our expertise spans responsible investment (RI), stewardship, governance, and sustainability-related strategies. Through research, analysis, and implementation support, we help investors translate their values, objectives, and commitments into actionable RI policies and engagement strategies across portfolios, while bringing independent perspective and practical support to internal teams. We also help companies better understand investor expectations and focus their efforts where they can have the greatest impact.

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Executive Summary

Key Points

- **This Supplement quantifies and visualizes voting divergence** between Canadian asset owners (AOs) and both Canadian and US asset managers (AMs) in the proxy year ending June 30, 2025, drawing on data from the [Proxy Voting Divergence Report](#).
- **A North American Divide** – Canadian asset owners vote FOR ESG proposals at much higher rates than US asset managers, reflecting fundamentally different stewardship philosophies across the 49th Parallel. The gap is largest on shareholder proposals related to Social Capital (39.6 pp), Supply Chain (34.9 pp) and Environment (28.4 pp). The data also show double-digit gaps on Shareholder-Led Governance proposals (19.3 pp), mixed Climate Change proposals (18.9 pp) and Shareholder-Led Human Capital proposals (18.1 pp).
- **A Canadian Divide** – While the domestic divide between Canadian AOs and Canadian AMs is not as stark as the North American Divide, the divergence in voting is significant across several categories. Canadian AOs vote FOR shareholder proposals at much higher rates than Canadian AMs in the Social Capital (22.7 pp), Governance (14.9 pp) and Supply Chain (14.5 pp) categories.

For the proxy year ending June 30, 2025, OxProx collaborated with Kaivalya Research to analyze 4.57 million vote records from 464 investors headquartered across the United States, United Kingdom, Europe, Canada, Australia, and New Zealand.

This Canada Supplement focuses on the Canadian Asset Owner perspective, analyzing 629K voting records from 28 Canadian institutional investors. The sample includes 8 of Canada's largest asset owners and 20 of Canada's largest asset managers. *More sample details are on the page titled, "Sample Characteristics."*

The data reveals a consistent pattern: Canadian asset owners show materially greater support for ESG and shareholder-initiated proposals. This Supplement highlights where those gaps are widest – identifying the proposal categories where AO–AM divergence is most pronounced.

Voting divergence may be attributable to asset owners' longer-term investment horizons, more direct connection to beneficiaries including via their more transparent governance structures, and their ability to capture qualitative as well as financial returns to those beneficiaries. Asset managers are often measured against a simple risk and return benchmark and so may reach different conclusions for votes on ESG issues.

Whatever the causes may be, AMs voting in conflict with AOs can:

1. Undermine the AO's stewardship efforts;
2. Raise questions about whether votes are being cast in clients and beneficiaries' interests;
3. Pose potential reputational risks for the AO, and
4. Negatively impact the AO's influence in the market.

Investor Sample Characteristics

464 Institutional Investors — by AUM Band and Headquarters Region

| AUM Band | Aus+NZ | Canada | Other | UK+EU | US | Total |
|-----------------------------|-----------|-----------|----------|-----------|------------|------------|
| Asset Managers (AMs) | | | | | | |
| AM: \$500B+ | — | 3 | — | 10 | 38 | 51 |
| AM: \$100B–\$500B | 2 | 8 | 1 | 17 | 34 | 62 |
| AM: \$10B–\$100B | 5 | 8 | 2 | 7 | 96 | 118 |
| AM: < \$10B | 2 | 1 | 3 | 2 | 177 | 185 |
| AM Subtotal | 9 | 20 | 6 | 36 | 345 | 416 |
| Asset Owners (AOs) | | | | | | |
| AO: \$100B+ | 3 | 6 | — | 9 | 6 | 24 |
| AO: < \$100B | 8 | 2 | — | 9 | 5 | 24 |
| Total | 20 | 28 | 6 | 54 | 356 | 464 |

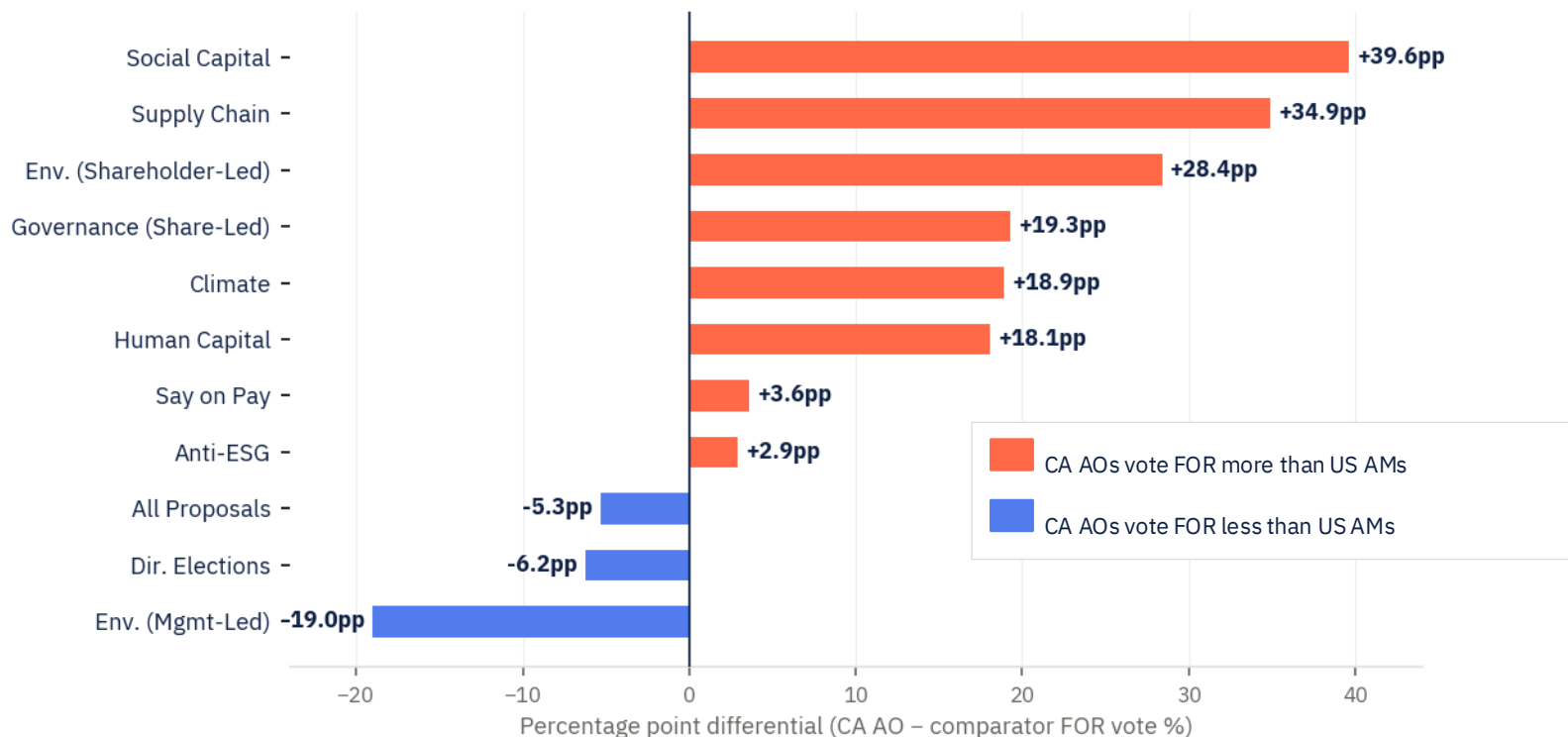
Note: AMs include all institutional asset management firms. AOs include pension funds, sovereign wealth funds, endowments, in surers, and other beneficial owners. 'Other/Unknown' includes investors from other jurisdictions or where headquarters country could not be confirmed.

Canadian Asset Owners vs US Managers 'FOR' Vote Differentials

A North American Divide – This chart ranks all proposal categories by the gap between Canadian AO and US AM "FOR" vote rates. Categories where Canadian AOs vote FOR more than US AMs (positive divergence) appear to the right; categories where US AMs vote FOR more appear to the left. The divergence is stark on Social Capital, where we see a 39.6 pp gap and Supply Chain where we see a 34.9 pp gap between Canadian asset owners and US asset managers.

There is nearly a 20 pp gap between Canadian AOs and US managers on Shareholder-Led Governance (19.3 pp), Climate (18.9 pp), and Human Capital (18.1 pp) proposals. Mgmt-Led Environment is the only category in our sample where US managers voted FOR at double-digit rates more than Canadian AOs – showing a gap of 19.0 pp. These data suggest Canadian asset owners and US asset managers hold fundamentally different stewardship philosophies.

Canadian Asset Owners vs US Asset Managers FOR Vote Differential (pp) – All Categories

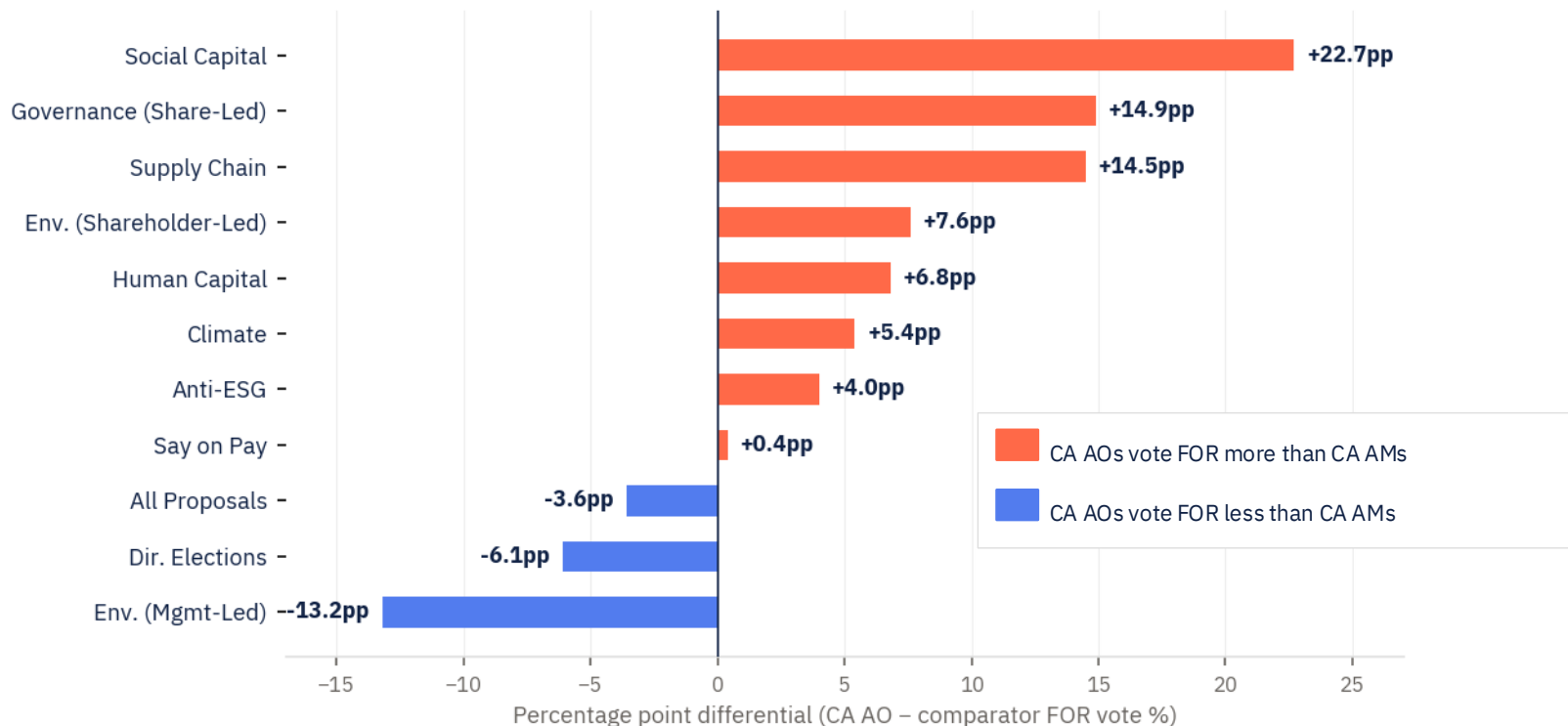


Canadian Owners vs Canadian Managers: FOR Vote Differentials

A Canadian Divide – The data suggest Canadian asset owners and Canadian asset managers hold meaningfully different stewardship philosophies on ESG issues, suggesting a “Canadian Divide” – although the gap is less stark than the North American Divide. The chart ranks proposal categories by the gap between Canadian AO and Canadian AM FOR vote rates. Categories where Canadian AOs vote FOR more than Canadian AMs (positive divergence) appear to the right; categories where Canadian AMs vote FOR more are on the left.

The divergence is largest on Social Capital, where we see a 22.7 pp gap, and on Governance (Shareholder-Led) where we see a 14.9 pp gap between Canadian asset owners and Canadian asset managers. Supply Chain shows a 14.5 pp gap in favour of Canadian AOs, followed by Env. (Shareholder-Led) at 7.6 pp, Human Capital at 6.8 pp, and Climate at 5.4 pp. Mgmt-Led Environment is the only category where Canadian AMs voted FOR at double-digit rates more than Canadian AOs – a gap of 13.2 pp.

Canadian Asset Owners vs Canadian Asset Managers FOR Vote Differential (pp) – All Categories



Methodology

The following Methodology section is extracted from the full Proxy Voting Divergence Report, which can be found here:

<https://oxprox.org/proxy-voting-divergence-report>

All data in this Canada Supplement is drawn from the full Proxy Voting Divergence Report.

Methodology — Overview & Scope

This report analyses proxy voting behaviour across the 2024–25 proxy year (1 July 2024 – 30 June 2025), during which most listed companies hold their annual shareholder meetings. The central question is whether asset owners (AOs) and asset managers (AMs) vote differently — and if so, by how much and on which topics.

Throughout this report we use the term 'voting divergence' rather than 'voting misalignment,' because individual AO–AM mandates are not directly observable in the data. What we can demonstrate with confidence is that the aggregate voting patterns of AMs and AOs diverge — often materially — and we treat this divergence as a reasonable and meaningful proxy for misalignment.

Scope & Representativeness

The research dataset covers a large and diverse sample spanning a wide range of investor types, geographies, and AUM sizes, though it is not a census of all global institutional investors. It provides a cleaned and consistently classified body of voting records that supports meaningful analysis of patterns and trends. The findings should be read as broadly representative of how a significant segment of the institutional market behaves, rather than as a definitive account of the whole.

This report examines aggregate voting patterns across the sample. It does not identify or attribute votes to any individual investor, nor does it assess the policies or stewardship practices of any named institution. A full demographic breakdown — by AUM band and country group — is provided in the Sample Characteristics section of this report.

AI Disclosure Statement

This report was produced with the assistance of Claude, an AI assistant developed by Anthropic. AI tools were used to support two aspects of production: transforming a large structured dataset into an initial analytical draft and preparing charts and data visualizations for review. All data, analysis, findings, and conclusions were rigorously reviewed by the OxProx team prior to publication. Final editorial judgment, factual verification, and responsibility for the accuracy of this report rest solely with OxProx. The disclosure of AI use in this report reflects our commitment to transparency. All OxProx content attributed to a person was written by that person.

Sample at a Glance

4.57M voting records

464 institutional investors (416 AMs · 48 AOs)

96,631 flagged proposals across all categories

18,793 companies across all sectors

Note: Full investor and company sample breakdowns — including charts and tables by AUM band, geography, and sector — are provided in the Sample Characteristics section of this report.

Methodology — Data Collection, Classification & Quality

1. Data Collection

OxProx collects proxy voting records from publicly-available sources, primarily the SEC's EDGAR system (Form N-PX, the mandatory annual voting disclosure filed by U.S.-registered funds), and investors' disclosures made available via their websites. Because these sources use different formats and conventions, the raw data requires cleaning and classification before analysis can begin.

Cleaning steps include standardizing investor and company names and identifiers, resolving duplicate records, and normalizing proposal descriptions across sources. The resulting dataset spans 464 institutional investors — 416 asset managers and 48 asset owners — headquartered in the United States, United Kingdom, Europe, Canada, Australia, and New Zealand. Asset managers' voting records are more widely available than asset owners' due to regulatory disclosure requirements, particularly in the United States.

2. Classification Framework

Once cleaned, each record is classified along two dimensions.

Company classification

Each company is mapped to a sector and industry using the SASB Sustainable Industry Classification System® (SICS®), which groups companies by their sustainability-relevant business activities rather than conventional financial sector definitions. This classification supports analysis of voting patterns across economically and ESG-relevantly comparable peer groups.

Proposal classification

Each proposal is assigned a topic category using a framework aligned with SASB Standards, which identify the environmental, social, and governance (ESG) issues most material to investor decision-making across industries. Proposals outside the scope of SASB Standards — including routine operational and procedural matters — are classified using OxProx's own supplementary categories. A full list of proposal categories and their definitions is provided in the table on the following slides.

3. Data Quality

OxProx conducted quality testing on a stratified sample of 1,000 records drawn from across the dataset, representing 185 investors and 842 companies. Two accuracy metrics were evaluated:

98.2%

Proposal Matching

Matching each voting record to a specific agenda item at a specific company meeting

94.8%

Proposal Categorisation

Classifying each proposal into its E/S/G category

These results provide a high degree of confidence in the voting patterns reported. Individual vote decisions (For, Against, Abstain, etc.) are not processed by OxProx's algorithms and are therefore not subject to classification errors. Remaining errors may relate to proposal matching, categorization, or the underlying source data itself. A small number of proposals may be misclassified where source descriptions were ambiguous or incomplete; this does not affect the accuracy of individual vote records but may marginally affect the composition of some category totals.

Methodology — Calculations & Key Definitions

5. How Votes Are Calculated

For %

The share of votes where an investor voted For a proposal. Reported as an average across investors within each group.

Opposition %

The share of votes where an investor did not vote straightforwardly For. $\text{Opposition \%} = \text{Against \%} + \text{Abstain \%} + \text{Withhold \%}$. In other words, any vote cast that is not a For is treated as opposition to the proposal.

Split Votes

Institution-level votes where different sub-funds or share classes voted differently on the same proposal. Split vote % is calculated and reported separately; split votes are not included in either For % or Opposition %.

No Data or No-Votes

Indicates where no vote decision was disclosed. No-vote % is calculated and reported separately; no-votes are not included in either For % or Opposition %.

AO–AM Divergence

The difference between the average AO For % and the average AM For % on a given proposal category. A positive value indicates AOs vote For at a higher rate than AMs; a negative value indicates the reverse. Reported in percentage points.

Votes Against Management %

The share of votes where an investor did not cast its vote according to management recommendations, or where an investor “disagreed” with management’s recommendation. $\text{Votes Against Mgmt. \%} = \text{Against \%} + \text{Abstain \%} + \text{Withhold \%}$.

6. Key Investor Definitions

| Term | Definition |
|---------------------------|--|
| Asset Owner (AO) | Pension funds, sovereign wealth funds, insurance companies, endowments, foundations, and similar institutions that hold assets on behalf of ultimate beneficiaries. AOs bear the primary fiduciary responsibility to those beneficiaries. |
| Asset Manager (AM) | Institutional firms that manage investment portfolios on behalf of clients, including asset owners. AMs exercise voting rights on behalf of their clients unless clients retain voting authority directly. In this report, all institutional asset management firms are classified as AMs. |

7. ESG Subject Definitions

Definitions for each proposal category covered in this report are provided on the following slides. These definitions are drawn from SASB Standards where applicable, supplemented by OxProx’s classification framework for categories not covered by SASB.

Note: Votes are captured at the parent entity level. Where a single institution uses multiple sub-entities to vote, votes may be split across sub-entities and appear as 'split votes' in the data. All percentage figures are unweighted averages across investors within each group unless otherwise stated. For % and Opposition % are calculated separately from Split Vote % and No-Vote %, which are reported independently and do not sum to either For or Opposition totals.

Proposal Category Definitions

Below are the definitions used to classify proposals across all sections of this report. ESG categories are drawn from the SASB Standards where applicable.

| Report Section | Definition |
|--------------------------------------|---|
| All Proposals | All shareholder meeting agenda items in the dataset, spanning director elections, compensation, environmental, social, and governance proposals — both management-initiated and shareholder-initiated — across 464 institutional investors for the proxy year July 2024–June 2025. The dataset covers 91,878 flagged proposals across 3,398 companies. |
| Director Elections | Election and re-election of directors to Boards of Directors and Supervisory Boards. The sample in this dataset excludes contested elections (proxy contests) in which a competing slate of candidates is put forward. |
| Environment (Mgmt-Led) | Company-initiated environmental resolutions covering direct GHG emissions management; air quality impacts from stationary and mobile sources; energy consumption and grid reliance; water use, wastewater treatment, and aquifer impacts; hazardous and non-hazardous waste handling; and ecological impacts including biodiversity loss, habitat destruction, and deforestation. |
| Environment (Shareholder-Led) | Shareholder-initiated environmental proposals addressing the same domains as management-led environmental resolutions — GHG emissions, air quality, energy management, water and wastewater, waste and hazardous materials, and ecological impacts — filed by shareholders and brought to a vote independently of company management. |
| Human Capital | Proposals relating to a company's workforce management, encompassing labour practices and workers' rights (including child labour, forced labour, and fair wages), employee health and safety, and diversity, equity and inclusion practices in hiring and promotion. |
| Compensation | Periodic shareholder advisory or binding votes on executive and CEO compensation levels and policies (Say-on-Pay), as well as director remuneration, stock incentives, and golden parachute arrangements. Votes may be one-, two-, or three-year cycles. |
| Social Capital | Proposals addressing a company's management of its societal relationships: human rights and community relations; customer privacy and data security; product quality, safety, and customer welfare; access and affordability of products and services; and selling practices and product labelling. |

Proposal Category Definitions (continued)

Definitions used to classify proposals across all sections of this report

| Report Section | Definition |
|-------------------------------------|--|
| Governance (Shareholder-Led) | Shareholder-initiated governance proposals including proxy access rights, majority voting standards, board declassification, elimination of multiple-voting share structures, and written consent provisions that seek to expand shareholder influence over board composition and accountability. |
| Supply Chain | Proposals covering business model and innovation sustainability: supply chain ESG risk management (environmental responsibility, human rights, labour practices); materials sourcing and efficiency; product design and lifecycle management; business model resilience to low-carbon transitions; and physical impacts of climate change on operations and assets. |
| Climate Change | Climate proposals are treated as an overlay category that cuts across the main topic taxonomy. They were identified by applying a keyword search directly to proposal text and include both management-initiated and shareholder-initiated proposals. This approach ensures that climate-themed votes are captured in full regardless of the structural category in which a proposal would otherwise fall. |
| Anti-ESG | Anti-ESG proposals are shareholder proposals that seek to limit or roll back ESG-related practices. |

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