INSTITUTIONAL INVESTORS AND SHAREHOLDER ENGAGEMENT: THE FONDS DESJARDINS

Michel Coulmont *, Sylvie Berthelot **

* *Corresponding author,* Business School, University of Sherbrooke, Sherbrooke, Quebec, Canada
Contact details: University of Sherbrooke, 2500 boulevard de l'Université, Sherbrooke, Quebec J1K 2R1, Canada
** Business School, University of Sherbrooke, Sherbrooke, Quebec, Canada

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Abstract

Following in the footsteps of the celebrated California Public Employees' Retirement System (CalPERS), more and more institutional investors are developing policies governing their proxy voting rights at annual general meetings to clearly express shareholders' interest in environmental, social, and corporate governance issues. They are also increasingly numerous in promoting responsible investment practices through these policies. The object of this study is to examine the extent to which votes cast by the Fonds Desjardins, a major Canadian institutional investor, at the annual general meetings of firms in which it invests comply with its proxy voting rights policy and its public commitment to the social responsibility of these firms. The analyses were based on the votes recorded on the Fonds Desjardins website from July 1, 2018, to June 30, 2019. Of the 168 votes analysed, 35 did not comply with the Fonds' policy, reflecting a non-compliance rate of 20.8%. The analyses show that votes on environmental issues are the most diverged from the institution's policy during the period under study. Overall, the results indicate that the votes cast by the Fonds Desjardins at annual general meetings do not always correspond to the Fonds' proxy voting rights policy. These findings raise questions about the real motivation behind such policies. Are they a genuine or a symbolic tool?

Keywords: Shareholder Engagement, Shareholder Social Activism, Voting Policy, Annual General Meeting, Institutional Investors

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1. INTRODUCTION

In recent years, responsible investment has increased at an unprecedented pace worldwide. In 2018, investments of this kind amounted to over US$35.3 trillion (Global Sustainable Investment Alliance, 2020). Defined as investment practices that take environmental, social and corporate governance issues into account (Viviers & Eccles, 2012), responsible investment grew by leaps and bounds following the introduction of the United Nations' Principles for Responsible Investment in 2006. Today, over 5,400 fund managers, asset owners and financial service providers around the globe have signed this initiative. In addition, this trend has led to other forms of involvement of institutional investors in firms' environmental, social and corporate governance practices. Demonstrating their responsible investment practices, a number of institutional investors have invested in firms' share capital in an attempt to more directly influence corporate decisions, either through proposals submitted at annual general meetings (shareholder activism) or through voting at annual general meetings (shareholder engagement). While some studies (Goranova & Verstegen Ryan, 2014; Denes et al., 2017) have focused on shareholder activism, shareholder engagement has been far less documented. Yet, like CalPERS, more and more institutional investors are introducing policies on their proxy voting rights at annual general meetings to clearly signal shareholders' interest in environmental, social and corporate governance matters.

Managed by Desjardins Investments Inc. and with over CAD$36.1 billion in assets (Desjardins, 2023a), the Fonds Desjardins, one of Canada's largest investment funds manufacturers, is a good example of this type of institutional investor. Its Policy on the Exercise of Proxy Voting Rights highlights the adoption of codes of conduct or measures on labour rights; the prohibition of discrimination; the respect of fundamental rights in conflict zones; the respect of adequate working conditions; the belief that companies should call on internationally recognised human rights certification agencies to guide and assess their performance; the adoption of quantifiable objectives to reduce pollution loads; and the adhesion of firms to national and/or international initiatives or repositories, standards, guides, and codes of conduct associated with the protection of the environment. This policy also covers contributions to political parties and lobbying organisations. The aim of this study is to assess the extent to which votes cast by the Fonds Desjardins at the annual general meetings of firms in which it has invested are in accordance with its policy. In other words, we wish to answer the following research question:

RQ: Does Fonds Desjardins, a major Canadian institutional investor, exercise its votes at annual general meetings of companies in accordance with its voting policy?

An analysis was thus conducted of all the votes cast at the 1,466 annual general meetings listed in the Fonds Desjardins' voting record, covering the period from July 1, 2018, to June 30, 2019. Only the data on proposals relating to environmental, social and economic issues from the perspective of social responsibility were retained. This analysis enabled us to identify 168 proposals presented at the annual general meetings of 116 different firms. We found that the Fonds Desjardins voted against its policy on 35 of these 168 proposals, which represents a non-compliance rate of 20.8%. The highest non-compliance rate (57.6%) was noted for proposals on environmental issues, followed by those on social issues (20.8%). The highest compliance rate (at close to 97%) was observed for proposals targeting donations to political parties or lobbying policies. The results of our analysis document a relatively new trend that has received little attention in prior research. They make it possible to evaluate the extent of the gap between the message the Fonds Desjardins communicated to (small) investors and the actual actions it undertook. The study findings also contribute to knowledge about the concretisation of the stewardship role that has been attributed to institutional investors in recent years. Given its policy on voting rights and the votes it cast at annual general meetings, the Fonds Desjardins appears to have taken on this stewardship role despite discrepancies between the votes expected and those actually cast.

The remainder of the paper is organised as follows. Section 2 reviews the relevant literature associated with responsible investment, activism and shareholder engagement. Section 3 focuses on the research framework. Section 4 presents the study results. Section 5 discusses the main study result, and lastly, Section 6 reports its main conclusions, limitations, and potential avenues for future research.

2. LITERATURE REVIEW

2.1. Responsible investment

A number of terms, such as ethical investment, socially responsible investment, and sustainable investment, have been used to define the concept of responsible investment (Revelli, 2012). Unlike conventional investments, responsible investment applies a set of filters to select or exclude assets based on environmental, social, governance or ethical criteria (Revelli, 2012; Renneboog et al., 2008). The origins of responsible investment date back to the anti-slavery campaign launched by the Quakers in the 1700s (Viviers & Eccles, 2012). In 1928, investment funds responding specifically to the needs of certain religious communities were developed in the United States (Schwartz, 2003; Viviers & Eccles, 2012). These funds employed a screening approach that consisted in applying exclusion criteria when selecting investments. For example, they did not invest in firms involved in lotteries or in the production of alcohol, tobacco or weapons. In the 60s, 70s, and 80s, this movement spread to groups opposing the war in Vietnam and the racist system of apartheid in South Africa (Renneboog et al., 2008). Over the years, environmental disasters have expanded the development of responsible investment around the world. Many investors now take environmental, social, and governance issues into account when selecting shares, irrespective of the type of portfolio (traditional or specialist) (Revelli, 2012).

While some researchers see responsible investment as a possibility for senior managers to improve their reputation to the detriment of profitable investments (Benabou & Tirole, 2010; Srivastava & Anand, 2023), an increasing number document a positive relationship between corporate social performance and financial performance (Orlitzky et al., 2003). Past studies tend to claim that corporate social responsibility can contribute to higher financial corporate performance by increasing revenues through enhancing demand for a firm's products (McWilliams & Siegel, 2000), reducing its price sensibility, improving labour productivity (Turban & Greening, 1997), or reducing the level of waste produced in production processes (Porter & van der Linde, 1995; Harjoto et al., 2017). However, this higher financial performance may not increase infinitely and should gradually level off (Harjoto et al., 2017). In addition, investors may have to make a trade-off between a company's financial performance and societal performance, or even play a more active role in corporate management through formal (i.e., voting rights) or informal influence mechanisms (e.g., discussions with senior managers, public press releases) acquired through their investments. This is possibly why the studies tend to demonstrate that these "responsible investments" perform no worse than their traditional counterparts, although responsible and traditional funds as a group do not outperform the market (Rahman et al., 2017).

In 2006, the United Nations introduced its Principles for Responsible Investment (PRI) (Deborde et al., 2006), which were designed to help institutional investors integrate environmental, social and governance criteria into their investment decisions and thus support a sustainable transformation of society by directing financial flows to sustainable firms (Bauckloh et al., 2023). According to Hoepner et al. (2021), they can be seen as the source of a "multiplier effect" for responsible investment. The initiative is very popular and the number of signatories continues to grow, despite the mitigated results of studies on the performance of socially responsible funds in comparison to conventional investments (Nofsinger & Varma, 2014; Ibikunle & Steffen, 2017; Rahman et al., 2017; Ielasi et al., 2018; Peillex & Comyns, 2020). The analysis of Peillex and Comyns (2020) tends to demonstrate that interest in PRI is associated with legitimation and image management processes and good corporate governance practices. For their part, while Kim and Yoon (2023) do not observe improvements in fund-level environmental, social and governance (ESG) scores or fund returns after a U.S. mutual fund signs the PRI, they note that PRI affiliation tends to be widely advertised on company websites, marketing materials and fund documents.

2.2. Activism and shareholder engagement

Concurrent to the development of responsible investment, institutional investors began to occupy an increasingly important place among the shareholders of listed firms (Klettner, 2021). Large institutional investors now hold a sufficiently large number of shares to have a substantial impact on the voting results at annual general meetings (Bebchuk et al., 2017). This explains why the premise of diffuse shareholder structure developed in the work of Berle and Means (1932), which led to the agency theory, no longer reflects the reality in many firms (Bebchuk et al., 2017). In relation to the size of the amounts invested, more and more institutional investors are playing a stewardship role, more specifically through their votes aimed at influencing the practices of the firms in which they have invested. To ensure profitability and control risks, this stewardship role extends not only to strategic decisions and governance practices, but also, and more and more frequently, to corporate social responsibility practices, particularly when firms claim to make responsible investments (Faller & zu Knyphausen-Aufseβ, 2018).

This new stewardship role explains the involvement of institutional investors in various forms of shareholder activism. In practice, shareholders who are dissatisfied with an organisation's performance or actions have four options open to them (Rajyalakshmi, 2014). They can sell their shares; remain complacent and loyal to the organisation, leaving management to act; dialogue behind the scene with management (Logsdon & Van Buren, 2009; Mans-Kemp & van Zyl, 2021) or express their dissatisfaction through various forms of shareholder activism (Rajyalakshmi, 2014), without a change in control of the firm (Gigante & Venezia, 2021)[1]. Shareholders can demonstrate their activism by engaging in dialogue with management (Logsdon & Van Buren, 2009; Velte & Obermann, 2021), raising questions about the firm's policies at the annual general meeting, conducting letter-writing campaigns, inviting management to meetings, issuing press releases, running public campaigns, and so on (Rajyalakshmi, 2014). One of the most widespread forms of activism is the submission of proposals at annual general meetings. Considered one of the pioneers of this movement, the American pension fund CalPERS began submitting proposals, focusing essentially on governance practices, at the annual general meetings of targeted firms in the late 1980s (Smythe et al., 2015). The movement spread to other pension funds, individuals, advocacy groups defending small investors, and institutional investors.

The exercise of voting rights, also a fundamental shareholder right (Hirst, 2018; Velte & Obermann, 2021), is another form of shareholder activism that is sometimes called shareholder engagement (Gomtsian, 2020). With the exception of Hirst (2018), Griffin (2020), and Dikolli et al. (2022), few studies have however been carried out on the exercise of this right to vote. Hirst (2018) observes that institutional investors' votes often do not follow the interests or the preferences of their own investors respecting social responsibility proposals in the U.S. context. Griffin (2020), however, observes that the "Big Three" asset managers (Vanguard, State Street Global Advisers and BlackRock), despite a considerable marketing focus on their environmental and social awareness, demonstrate low support for environmental and social proposals. Finally, Dikolli et al. (2022) note that U.S. ESG mutual funds are more likely than others to vote in support of shareholder proposals related to environmental, social and governance issues. These types of mutual funds seem then more aligned with their investment objectives.

To fulfil their stewardship role, some large investors (e.g., CalPERS, Caisse de dépôt et placement du Québec, Desjardins) have adopted policies governing the exercise of their proxy voting rights that address environmental, social and governance concerns. Large investors present these policies to their investors to bolster their discourse on their commitment to the social responsibility practices of the firms in which they invest. Few studies have investigated how the votes cast comply with institutions' policies on the exercise of these voting rights. To fill this gap, this study examines how the votes cast by the Fonds Desjardins correspond to its policy on proxy voting rights made available to the public.

3. RESEARCH FRAMEWORK

The Fonds Desjardins' Policy on the Exercise of Proxy Voting Rights is based on four main themes tied to environmental, social and economic issues associated with corporate social responsibility. Table 1 presents a summary of this policy.

[1] There are two types of shareholder activism, that resulting from financial motivation and that from social motivation (Rautenstrauch & Hummel, 2022). In this study, we focus on the socially motived type of shareholder activists.

Table 1. Summary of Desjardins' Policy on the Exercise of Proxy Voting Rights in relation to social responsibility issues

Themes	*Commitments*
Human rights and labour rights	Vote FOR adopting rules or conduct or measures affecting any of the following issues: labour rights (prohibition of forced labour, prohibition of labour for children, etc.), policies against discrimination (sex, skin colour, ethnic origin or sexual orientation), fundamental rights in areas of conflict, assurance of adequate working conditions. Vote FOR any resolution calling on an internationally recognized certification organization to monitor human rights compliance in company facilities and those of subcontractors, and to draft suitable recommendations.
Sustainable development	Vote FOR any proposal to subscribe to or to approve compliance with initiatives of international bodies, organizations, as well as repositories, standards, guides and codes of conduct or other generally accepted tools. Vote FOR any proposal encouraging companies to produce an environmental report of their current or future operations, as well as those requiring the adoption of quantifiable objectives related to pollution load reduction.
Community support	Vote FOR any proposal aimed at developing or maintaining the company's social or economic involvement. Vote FOR any proposal requiring publication of a social responsibility report showing how the company exercised its social responsibility.
Financial ethics	Vote FOR any proposal aimed at eliminating usury or abusive interest rates. Vote FOR any proposal aimed at implementing micro-credit for people and groups for whom such financial tools are essential. Vote FOR any proposal aimed at countering the use of financial tools for illicit purposes, be it in Canada or internationally. OPPOSE all financial contributions to political parties but, when such contributions are made, they will SUPPORT all proposals requiring their disclosure in whatever country the contribution is made. Vote FOR any motion requesting disclosure of contributions or payments made to organizations whose main activities include lobbying. Vote FOR any proposal aimed at prohibiting or countering corruption.

Source: Desjardins (2019).

Shareholders vote on director and auditor nominations at annual general meetings. Under the Canada Business Corporations Act (Section 137), shareholders holding 1% of the total number of voting shares outstanding or voting shares worth at least $2,000 for six months or more are allowed to submit a proposal to be included in a company's proxy statement distributed to shareholders for the annual general meeting within six months preceding the day of the vote. This legislation enables certain shareholders to submit proposals on environmental, social and economic issues tied to corporate social responsibility and to which Desjardins' Policy on the Exercise of Proxy Voting Rights should apply.

To determine the extent to which the Fonds Desjardins' votes on corporate social responsibility comply with its Policy on the Exercise of Proxy Voting Rights, we examined all the votes cast at 1,466 annual general meetings held between July 1, 2018, and June 30, 2019, and set out in Desjardin's voting record. This examination enabled us to identify the proposals on social responsibility presented in Table 1. The identification of the proposals was carried out by referring to the elements included in the Desjardins' Policy on the Exercise of Proxy Voting Rights presented in Table 1. We have identified all the proposals referring to this policy. In total, 168 votes cast at 116 annual general meetings were identified.

4. RESEARCH RESULTS

Table 2 identifies the industry sectors targeted by the proposals under study. The greatest number of proposals targeted the financial sector, followed by consumer staples and industry. A number of other sectors were also represented.

Table 2. Breakdown of firms and proposals by industry sector

*Industry sector**	*Firms*		*Proposals*	
	Number	*%*	*Number*	*%*
Finance	27	23.28	34	20.24
Consumer staples	17	14.66	17	10.12
Industry	17	14.66	18	10.71
Community services	13	11.21	26	15.48
Discretionary staples	10	8.62	19	11.31
Telecommunications	8	6.90	11	6.55
Energy	7	6.03	19	11.31
Health	7	6.03	7	4.,17
Materials	6	5.17	10	5.95
Information technologies	4	3.45	7	4.17
Total	116	100.00	168	100.00

*Note: * GISC Classification.*

Of the 168 votes Fonds Desjardins cast, 33 were related to environmental issues, 53 to social issues, 72 to economic issues and 10 to more than one issue. Thirty-five, or 20.8%, of the votes cast did not appear to comply with Desjardins' Policy on the Exercise of Voting Rights.

The greatest divergence from this policy was noted on environmental issues. Table 3 illustrates these results.

Table 3. Proposals on environmental issues

Type of proposal	*Number*	*Results of votes*
Present a report on …		
• management of pesticides	1	1/1 against
• climate changes	3	0/3 against
• deforestation due to the supply chain	2	0/2 against
• pollution by plastic pellets	1	1/1 against
• costs and benefits of environmental activities	1	1/1 against
Accountability respecting…		
• sustainable packaging	2	0/2 against
• costs and benefits of environmental activities	1	1/1 against
• risks and measures taken respecting climate changes	3	0/2 against
Establishment of a board committee	1	1/1 against
Adoption of targets for greenhouse gas emissions	5	3/5 against
Feasibility studies or impacts on…		
• adoption of quantitative goals for renewable energy	1	0/1 against
• non-recyclable containers	1	0/1 against
• greenhouse gas emissions	1	1/1 against
Amendment of statutes on various environmental practices (The Kansai Electric Power Co.)	10	10/10 against

As Table 3 shows, 19 of the 33 votes cast on environmental issues did not comply with Desjardins' policy, which represents a non-compliance rate of 57.6%. Three against votes related to proposals on the production of reports, one to a request for accountability on the cost and benefits of environmental activities, one to the creation of a board committee that would focus on environmental issues, three to greenhouse gas emissions, and another to the conducting of an impact study on greenhouse gas emissions. Eight other against votes were cast at a single meeting of Kansai Electric Power Co. and two others at a meeting of Tokyo Electric Power Co. Holdings Inc. These 10 votes concerned requests to amend the statutes on the promotion of renewable energies (2 votes) and the control or abandonment of nuclear energy (8 votes).

Table 4 shows the results of the votes on social issues. As can be seen, at 20.75%, the non-compliance rate is relatively low. The greatest number of deviations from the policy (50%) was noted for accountability respecting the competencies and diversity of the directors (66.7%) and the adoption of policies targeting equality, equity and diversity. The compliance rate for votes on other issues, such as the presentation of reports on various social issues, was very high.

Table 4. Proposals on social issues

Type of proposal	*Number*	*Results of votes*
Present a report on…		
• sexual harassment	5	1/5 against
• human rights	13	2/13 against
• product impacts	2	0/2 against
• operational risks	4	0/4 against
• human resources management practices	1	0/1 against
Accountability respecting…		
• the wage gap between men and women	11	0/11 against
• competence and diversity of directors	3	2/3 against
• human rights risks	1	0/1 against
Creation of a human rights committee or a supervisory board to monitor social risks	2	1/2 against
Adoption of policies targeting…		
• equality, equity and diversity	8	4/8 against
• emergency evacuation in the event of a nuclear accident	1	1/1 against
Authorisation of charitable donations	1	0/1 against
Approval of due diligence on human rights	1	0/1 against

Table 5 sets out the results of the votes on proposals respecting economic issues. For a total of 72 proposals, only one vote (1.4%) was not in compliance with Desjardins' policy. It should be noted that the proposals on this issue are less diverse than those on other issues. The proposals at the annual general meetings under study targeted only accountability for lobbying expenditures and policies and political contributions (donations), plus the authorisation of payment of political donations (inverted measure).

Table 5. Proposals on economic issues

Type of proposal	*Number*	*Results of votes*
Accountability respecting…		
• lobbying expenditures and policy	18	0/18 against
• political contributions	24	1/24 against
Authorisation of payment of political donations	30	30/30 against*

*Note: * inverted measure.*

Table 6 shows the results of the votes cast for 10 proposals that targeted more than one issue. The non-compliance rate for these proposals is 40%. The Fonds Desjardins voted against a proposal to establish a board committee at Exxon Mobil Corporation that would address environmental and social issues. It also voted against two proposals submitted at the annual general meeting of Kansai Electric Power Co, Inc. aimed at amending the statutes to add provisions on social responsibility-based management and promoting maximum disclosure in order to earn consumers' trust. In addition, it voted against a proposal submitted at the annual general meeting of Metro Inc. to integrate environmental, social and governance criteria into senior executive compensation. The vote register at the annual general meetings of Desjardins Funds does not reveal the reasons underlying these votes against the proposals. However, it is possible that the prospects of future income from Fonds Desjardins' investment in the company will have the effect of dissuading the company from speaking out against its managements' current practices. In addition, voting against the current practices of these companies' managers may affect and limit the relationships that Fonds Desjardins maintains with them. These relationships can be a source of privileged information minimising risks for Fonds Desjardins and promoting optimal investment decisions. It is also possible that Fonds Desjardins holds behind-the-scene discussions with management (Logsdon & Van Buren, 2009; Mans-Kemp & van Zyl, 2021) and, by voting for the activists' proposals, seeks not to affect the legitimacy of the management's decisions.

Table 6. Proposals on environmental, social and corporate governance issues

Type of proposal	*Number*	*Results of votes*
Create a board committee on social and environmental issues	1	1/1 against
Conduct an accountability exercise on environmental and social issues	1	0/1 against
Amend the statutes to include provisions on social responsibility and maximum disclosure	2	2/2 against
Integrate environmental, social and governance criteria in senior executive compensation	6	1/6 against

5. DISCUSSION OF THE RESULTS

Our analyses show that few social responsibility proposals are submitted to annual general meetings other than those tied to governance issues (e.g., independence of directors, senior executive compensation, separation of the roles of Chair of the board and CEO). Only 168 proposals of this nature were submitted at the 1,466 annual meetings of the 116 firms analysed. Shareholder activism via the submission of proposals specifically targeting social responsibility thus seems to be fairly limited, despite the emphasis many institutional investors place on responsible investment. Given the relatively low number of proposals, shareholder activism is clearly not a distinguishing feature of this type of investment. These results, at least in part, concur with those of Hirst (2018) and Griffin (2020), showing that despite institutional investors' discourse claiming social responsibility issues to be a priority, there is as yet no guarantee that these issues are actually taken into account.

It should not be forgotten that shareholder activism is expensive. For a proposal to be relevant, the shareholder presenting it needs to be familiar with the firm's actions. It then has to have the resources to follow up on the proposal. A firm and a shareholder will sometimes discuss certain proposals before the annual general meeting. The shareholder also has to have the resources to try to secure the support of other shareholders at the actual vote. Furthermore, the vote's result is not guaranteed and, even if it is in favour of the proposal, it is not binding. In other words, the organisation is not bound to act on the proposal. For many institutional investors, strategies for filtering and integrating environmental, social and corporate governance information (Revelli, 2012) or voting with their feet by selling their shares (*exit* according to Hirschman, 1971[2]) are presumably less costly.

Apart from studies by Hirst (2018), Griffin (2020), and Dikolli et al. (2022), this study is one of the first to investigate how the votes cast reflect an organisation's voting policy. Our findings on the meetings of a major Canadian institutional investor held from 2018 to 2019 show a non-compliance rate of 20.8% (35/168). These results are however impacted by the annual general meeting of the Japanese firm, Kansai Electric Power Co., held on June 21, 2019, at which 10 social responsibility proposals were put to a vote and which the Fonds Desjardins voted against. Excluding the annual general meeting of Kansai Electric Power Co., the non-compliance rate noted was 15.83% (25/158). Overall, although the compliance rate of the votes cast with Desjardin's voting rights policy is not 100%, it is still relatively high. These findings differ from those of Hirst (2018) and Griffin (2020), who noted weak support of social responsibility proposals from large institutional investors promoting investments that take these issues into account with their own investors. As the votes against Fonds Desjardins are concentrated among a few companies, there is reason to wonder whether they were not carried out with the strategic perspective of protecting relationships developed with the management of these companies that can help improve their financial returns. It should not be forgotten that the first objective for any institutional investor is to seek to increase the amount and value of the assets under management to earn enhanced financial returns (Balp & Strampelli, 2022). It is also possible that these votes are carried out with a view to maintaining dialogue with the company's management in order to achieve environmental and social responsibility objectives but in the longer term.

[2] According to Hirschman (1971), shareholders can take one of three different approaches, depending on the particular circumstances, i.e., sell their shares (exit), keep their shares while voicing their discontent (voice), or even decide to take no action (loyalty) against management's decisions.

6. CONCLUSION

The study findings provide interesting observations for financial product regulators. Except for the votes cast on proposals on environmental issues (i.e., presentation of reports on pesticide management, pollution by plastic pellets, costs and benefits of environmental activities or the adoption of greenhouse gas emissions objectives) and those on equality, equity and diversity, Desjardins' votes largely comply with its voting policy, showing that funds like Desjardins can truly play their stewardship role on a voluntary basis (Li et al., 2021). However, these results cannot be generalised to apply to other institutional investors. It is possible that our findings are specific to Desjardins. It should be remembered that Desjardins is a cooperative movement with a mission to: "[…] contribute to the economic and social well-being of people and their communities within the compatible limits of our field of activity […]" (Desjardins, 2023b). Other studies focusing on other types of institutional investors like investment or pension funds could confirm or refute our results.

This study has some limitations, such as the exclusion of proposals on governance practices not directly related to corporate social responsibility. Since these types of proposals are largely intended to protect shareholders' interests, the results of votes on these issues could differ. In addition, the data collected depends on the accuracy of Desjardins' voting record.

This study opens up various potential avenues of research. For example, it would be interesting to replicate the study with other institutional investors that have or have not signed the Principles for Responsible Investment to determine whether the findings can be generalised and assess the concrete contributions of the United Nations' initiative. It would also be worthwhile examining the votes cast on corporate social responsibility issues in relation to the country in which these firms are active. Such a study would help determine whether institutional investors are more lax in casting their votes in countries where social and environmental legislation is less binding. Finally, it could also be interesting to conduct interviews with asset managers in order to clarify the circumstances that could cause them to vote for or against proposals related to environmental or social issues. Such a study would make it possible to triangulate the explanations presented in this study with regard to the results observed.

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