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## ***Proxy Preview 2014 Shows Record Number of Social & Environmental Shareholder Resolutions Filed in 2014***

### **Tenth Anniversary *Preview* Examines Proposals on Corporate Political Activity, Climate Change, and Energy**

The [\*Proxy Preview 2014\*](#) report, released today, covers the record-breaking 417 social and environmental shareholder resolutions filed this proxy season, with political spending and climate change driving the majority of the activity.

*Proxy Preview* documents investors' strong demand for more disclosure of corporate political spending before and after elections; these resolutions account for almost a third of the total. Proposals on climate change, energy, and their related risks—as well as interconnected questions about corporate sustainability strategies and transparency—have also grown, and account for about another 40% of the 417 resolutions filed to date. Human rights and diversity on boards and in the workplace make up most of the rest.

“This year we have broken every record on the number of resolutions filed, and over the past decade the average vote in support of social and environmental resolutions has nearly doubled,” said Andrew Behar, CEO of [As You Sow](#), publisher of *Proxy Preview* since 2005. “Shareholders today are looking not at these issues in isolation. Instead, they articulate a systemic critique, pointing out the connections between excessive political spending, inadequate energy policy, the dangers of our changing climate and its damaging impact on water and agriculture, toxic hazards, and how these are related to human rights.”

“The flood of corporate political activity proposals continues unabated, and it’s not just looking at electoral spending,” said Heidi Welsh, Executive Director of the [Sustainable Investments Institute](#) (Si2) and co-author of the report. “A broad coalition of investors want companies to tell stockholders and the public more about what they spend before and after elections, both directly and most particularly through intermediary groups responsible for what some term ‘dark money’ in the public influence game,” added Welsh. The corporate political activity disclosure campaign has broadened in the last three years with an array of suggested responses to the new spending landscape opened up by the 2010 *Citizens United* U.S. Supreme Court decision. In the backdrop of this year’s shareholder campaign, further big modifications of campaign finance law may come any day from the court in *McCutcheon v. FEC*.

Resolutions on climate change and environmental issues are the second largest category of proposals filed. “There is a big increase in proposals asking companies to take more aggressive action to combat climate change,” says Michael Passoff, CEO of [Proxy Impact](#) and co-author of the report. “Investors are demanding greenhouse gas emissions reductions and disclosure. New carbon asset risk resolutions are asking companies if they are prepared to succeed in an increasingly carbon constrained world, amid fears of stranded carbon assets and the potential of a carbon bubble. And the exploding shale energy business has intensified concerns about methane emissions, a far more potent greenhouse gas than carbon dioxide.”

[\*Proxy Preview 2014\*](#) is the 10th edition of the report hailed as the “Bible for socially progressive foundations, religious groups, pension funds, and tax-exempt organizations” by the *Chicago Tribune*. *Proxy Preview* assesses the shareholder resolutions, how companies are responding, and policy changes affecting the proposals at the Securities and Exchange Commission (SEC).



The *Preview* also features perspectives from a stellar roster of issue experts including U.S. Sen. Robert Menendez (D-NJ), Darla Stuckey, Senior Vice President of Policy and Advocacy at the Society of Corporate Secretaries & Governance Professionals, and Jonathan A. Scott, President and Director of Singing Field Foundation. It features additional leading voices from social investment firms, faith-based institutions, pension funds, unions, foundations, shareholder advocacy networks, and companies.

### **Highlights of 2014 Shareholder Resolutions:**

- **Political Spending:** More than 700,000 members of the public have told the SEC they want mandatory political spending disclosure and a continuing slew of proposals underscore this demand. Fully 30% of the resolutions covered in the report ask for more oversight and data on corporate spending on elections and lobbying; a few want companies to stop spending in elections altogether but the main theme is disclosure. Early season votes at **Emerson Electric** on lobbying (41.7%) and campaign spending (47.4%) illustrate the issue's traction among investors. Nonprofit intermediary groups that do not have to name corporate funders remain the key focus. New resolutions ask energy companies about their climate change advocacy.
- **Environment and Sustainability:** While the climate change conversation increasingly is about stranded carbon assets, investors have filed more proposals than ever asking for carbon accounting, goal-setting, and risk assessments. Domestic shale energy expansion has also prompted new inquiries about methane emissions, alongside those about the use of hydraulic fracturing. Past issues like sustainable palm oil and asking banks to consider GHG emissions in financing decisions are back as well. And while the fate of the Keystone XL Pipeline hangs on President Obama's decision, investors will vote on whether it makes sense for **PepsiCo's** trucking fleet to avoid fuel from Canada's oil sands that may flow through the pipeline if it is approved, in one novel new resolution.

Other new environmental issues ask questions about large-scale land acquisitions in the supply chains of food companies and related human rights problems. **Dunkin' Brands** shareholders also may vote on whether the company should tell its donut buyers they are consuming nanomaterials, in a new twist. Further concerns relate to recycling, toxic materials, and global deforestation—and many of these concerns come up in sustainability reporting proposals, alongside social issues.

- **Diversity:** The country's largest institutional investors are articulating the Thirty Percent Coalition's demand for more diverse boards with more than a dozen proposals. Meanwhile, the growing acceptance of rights for lesbian, gay, bisexual, and transgender (LGBT) employees means there are fewer albeit still a healthy number of resolutions about them this year.
- **Human rights:** Religious investors have joined with others to press for corporate risk assessments about human rights and decent working conditions in the long global supply chains for clothing companies, inspired by tragedies in Bangladesh last year. Responding to resolutions about reputational and business risks that follow after cooperation with government surveillance, **AT&T** and **Verizon** recently reached agreements prompting withdrawals of proposals, but other similar resolutions at healthcare companies **Cerner** and **UnitedHealth Group** concern health information privacy in our digital age.

This year's *Proxy Preview* is a collaboration between [As You Sow](#), a nonprofit organization that promotes corporate responsibility through shareholder advocacy and innovative legal strategies; the [Sustainable Investments Institute](#) (Si2), which conducts impartial research on social and environmental shareholder proposals; and [Proxy Impact](#), a proxy voting service for foundations, endowments, and socially responsible investors.

The report is available at [www.proxypreview.org](http://www.proxypreview.org).