



Record Number of Social and Environmental Shareholder Resolutions Filed in 2015

Corporate Political Spending and Climate Change are Top Shareholder Concerns

OAKLAND, CA – March 5, 2015 – [Proxy Preview 2015](#), released today, covers the record-breaking 433 social and environmental shareholder resolutions filed so far this proxy season, with political spending and climate change driving most of the activity.

Proxy Preview documents investors' strong demand for more disclosure of corporate political spending before and after elections; these resolutions account for over a quarter 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 nearly 40% of the 433 resolutions filed to date. Human rights and diversity on boards and in the workplace make up most of the rest.

"This year we have once again broken the record on the number of resolutions filed, and this year's proponents have escalated the connection of critical issues to the boards of directors by demanding that shareholders be enabled to nominate board candidates and continue to link executive pay with sustainability," said Andrew Behar, CEO of [As You Sow](#), publisher of *Proxy Preview* since 2005. "This is a systemic critique, pointing out how the board must accept responsibility for excessive political spending, inadequate energy policy, our changing climate, toxic hazards, and human rights abuses."

"The flood of corporate political activity proposals continues unabated, and not just about elections," said Heidi Welsh, Executive Director of the [Sustainable Investments Institute](#) (Si2) and co-author of the report. "A broad coalition of investors wants companies to tell stockholders and the public more about so-called 'dark money' spent both in campaigns and on lobbying by groups that use corporate money and don't say where it comes from," added Welsh.

Resolutions on climate change and environmental issues are the largest category of proposals filed. "Shareholders are actively looking to manage climate risks," says Michael Passoff, CEO of [Proxy Impact](#) and co-author of the report. "Most of the climate resolutions ask companies to reduce greenhouse gas emissions or to report on the risks from climate change on business operations. Investors in fossil fuel companies are especially concerned about how their businesses can succeed in a low-carbon economy. There is growing alarm about the inevitability of stranded carbon assets and the potential of a carbon bubble."

Proxy Preview 2015 is the 11th 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).

Proxy Preview also features perspectives from a stellar roster of issue experts including Nell Minow, Co-Founder of GMI Ratings and former President at Institutional Shareholder Services; Rob Berridge, Director of Shareholder Engagement at Ceres; and Jon Jensen, Executive Director of the Park Foundation. It features additional leading voices from social investment firms, faith-based institutions, pension funds, unions, foundations, shareholder advocacy networks, and companies.

Highlights of 2015 Shareholder Resolutions:

- **Political Spending:** Slightly fewer proposals have been filed so far on corporate political activity this year—113 compared with 126 in mid-February 2014, but the total will grow with additional filings. Proponents of



more disclosure about election spending have yet to see any substantive response from the SEC on a proposed formal rulemaking that could compel more transparency, even though it has attracted support from more than 1.2 million comments. The key sticking point is still the lack of transparency about spending by intermediaries like trade associations, a central focus of all the proposals. A total of 64 proposals ask for more information about how and why companies are lobbying to influence elected officials and regulators, at all levels of government, while 44 seek more oversight and disclosure of campaign spending. Six address other sorts of corporate political involvement.

- **Climate Change and Sustainability:** Last year's big increase in climate change proposals is continuing, with 76 resolutions asking for more carbon accounting and related risk management—up from 66 at this point in 2014. Investors also want to hear more about how companies measure and manage methane releases from expanded U.S. domestic energy production (10 proposals), which often uses hydraulic fracturing (six resolutions ask for more data). Proponents also are asking how energy companies will cope with a potential drop in fossil fuel demand and how they can justify the high capital expenditures needed for unconventional fossil fuel extraction. A new proposal raises questions about trains that move oil and gas, which has problems highlighted by the recent spectacular West Virginia oil train derailment. Deforestation comes up in about a dozen proposals, with proponents increasingly linking ecological concerns and human rights—for palm oil and other agricultural commodities.

Sustainable governance ask for reporting on environmental, social and governance (ESG) issues (30 resolutions), but proposals also scrutinize board oversight and board member qualifications, so *Proxy Preview* takes note of the new 50/50 Climate Project that aims to build a bench of qualified climate expert nominees. (This comes as the proxy season is being roiled by a governance debate over “proxy access” that would allow shareholder board nominees.)

- **Diversity:** Seventeen resolutions seek formal protections for lesbian, gay, bisexual and transgender (LGBT) employees but half the targeted companies already have agreed to these requests—including longtime holdout **ExxonMobil**, which changed its policy after more than a decade of proposals. Three more resolutions from the New York City Comptroller's Office also ask about racial breakdowns. In addition, nearly two dozen from The Thirty Percent Coalition seek greater board diversity.
- **Human and labor rights:** Members of the Interfaith Center on Corporate Responsibility (ICCR) and trade unions are pressing forward with requests for human rights risk assessments, having gained traction last year with this approach; 10 resolutions are pending. New are six resolutions about the recruitment fees tobacco workers pay in the United States. Going to a vote for the first time at three companies is a resolution about the Holy Land Principles, a new fair employment code of conduct for Palestinians. Also new is a resolution from the New York State Common Retirement Fund (NYSCRF) on lethal injection drugs, at **Mylan** and **Akorn**. Rounding out the mix are 15 proposals about pay disparity and structural inequality, although most may be barred from votes since the SEC staff considers this to be an “ordinary business” matter.

The report is available at www.proxypreview.org.

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About Proxy Preview: *Proxy Preview 2015* is a collaboration between [As You Sow](http://www.asyousow.org), a nonprofit organization that promotes corporate responsibility through shareholder advocacy and innovative legal strategies; the [Sustainable Investments Institute](http://www.sustainableinvestmentsinstitute.org) (Si2), which conducts impartial research on social and environmental shareholder proposals; and [Proxy Impact](http://www.proxyimpact.org), a shareholder advocacy and proxy voting service for foundations, endowments, and socially responsible investors.