



Corporate Political Spending Tops List Of Resolutions In 2012, Report Says

Jim McConville , February 27. 2012

Companies will face a bevy of social and environmental shareholder resolutions during this year's corporate annual meeting season on topics ranging from corporate political spending and mortgage foreclosures to coal use and fracking for natural gas, according to a report released Tuesday.

The *Proxy Preview 2012* report says nearly one-third of shareholder resolutions in 2012 will ask companies for more disclosure about their direct and indirect campaign spending and lobbying. Resolutions about political spending have proliferated since the January 2010 *Citizens United v. Federal Election Commission* U.S. Supreme Court decision that opened up new ways for companies to spend on elections.

"Every year shareholder resolutions reflect a snapshot in time, an indication of what's critical to civil society today," says Andrew Behar, CEO of [As You Sow](#), which has published the Proxy Preview since 2005. "In a time when the American public sees a consolidation of corporate influence, people realize that they are owners of these companies and can have a voice through their proxies."

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

The report offers a review of the nearly 350 social and environmental resolutions that investors have filed at companies this spring on a range of topics including political spending, climate change, mortgage foreclosures, sexual orientation, and labor and human rights.

"These resolutions are too important to ignore," said Heidi Welsh, Si2's executive director the report's co-author. "Many corporations recognize that shareholder proposals can be red flags for hard issues they have to tackle, sooner or later. Engagement with shareholder proponents can help them better manage risks to their brands and business, which helps everybody."

In addition, investors that include pensions, foundations, university endowments and individual investors are increasingly interested in active stock ownership and aligning investment practices with their values -- reflected in the rising votes for shareholder resolutions, according to the report.

"Support for social and environmental resolutions has become increasingly mainstream," says Michael Passoff, CEO of Proxy Impact and a co-author of the report. "The last three years have seen a huge shift in how large institutional investors view the impact of social and environmental risks on the bottom line."

Highlights of 2012 environmental and socially responsible shareholder resolutions:

- **Political Spending:** Investors are increasingly concerned about corporate political spending disclosure and have filed twice as many resolutions on this topic for 2012 (109) as they did just three years ago.
- **Environment and Sustainability:** Shareholder proponents still want companies to address climate change, reduce their impacts on natural resources, and use fewer toxic chemicals. The 117 environmental/sustainability resolutions filed in 2012 express these concerns as part of a map for a new energy future.
- **Mortgage Foreclosures:** Investors at four of the country's biggest banks will vote on whether they want more information on loan modifications, foreclosures, and securitization-on the heels of the recent \$26 billion settlement that benefits homeowners.
- **Diversity:** The country's largest institutional investors want more diverse boards, as the report highlights. And companies increasingly are establishing non-discrimination policies for lesbian, gay, bisexual and transgender (LGBT) employees, even as they face 38 proposals on this subject.
- **Labor and Human Rights:** About two dozen resolutions request action on labor and human rights, mostly at companies active in global conflict zones, from faith-based investors. A new Securities and Exchange Commission interpretation means investors now can vote on whether companies should provide equal access to all on the Internet