



## Shareholders focus on environmental and social issues

*Political spending tops ESG proposals, followed by sustainable governance and climate change, notes 2013 Proxy Preview Report*

Adam Brown | Mar. 11, 2013

Shareholders have filed 365 resolutions related to climate change, social issues and corporate sustainability so far this year, an increase of 5.8 percent from the 345 resolutions filed in the same period last year, leading with political spending, according to a study by the **As You Sow** shareholder advocacy group.

About 38 percent of all shareholder resolutions filed so far this year in the US are focused on climate change, corporate sustainability and social issues, highlighting a trend that has seen these types of resolutions rise over the last decade, says the research.

‘As proxy season takes shape in this post-election year, investors are urgently seeking transformation of corporate ESG policies,’ says Andrew Behar, CEO of **As You Sow** and publisher of the Proxy Preview Report. ‘It looks to be a year of growing intensity as leading companies are more open to working c-operatively with shareholder advocates, while lag-gard companies are creating polarization and reaction from investors,’ he says in the report.

Political spending issues, even in a year following US presidential elections, make up 33 percent of all environmental and social resolutions filed as of the middle of February 2013, according to the report. Sustainable governance and reporting issues come second, at 14 percent of all resolutions, tied with ‘other environmental issues’, also at 14 percent. Climate change resolutions come next, at 12 percent.

According to the report data, socially responsible investors (SRIs) were responsible for 29 percent of all environmental and social shareholder proposals in 2012, while pension funds placed a close second, at 26 percent. Faith-based investors were responsible for 18 percent of the proposals while unions proposed 8 percent of them, foundations proposed 7 percent and individuals and special interest groups each contributed 6 percent of the proposals.

‘Investors now file about 50 percent more shareholder proposals on social and environmental issues than they did a decade ago,’ the report notes. ‘But there has not been as dramatic an increase in proposals voted on because proponents have withdrawn an increasing number of their proposals too, usually after reaching accords with management.’

Last year, 180 social and environmental proposals were voted on, compared with 145 in 2003. Meanwhile, the number of proposals withdrawn increased to 145 from 105 and the number omitted due to objections by the SEC rose to 61 from 49.

‘The biggest change in shareholder proposal results has been an increase in their average support level, which has grown from 11.9 percent in 2003 to 18.5 percent in 2012,’ the report’s authors say.