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## Proxy Preview 2010: Helping Foundations Align Investment and Mission



Foundations and other endowments are increasingly asking themselves what should — or could — they be doing to better align their investments and mission. They are looking at how to become mission-driven institutions that fully leverage their assets to fulfill their vision. Proxy voting, as part of an investor's basic fiduciary responsibility for existing investments offers perhaps the easiest entry point for foundations wishing to align investment and mission.

Hundreds of shareholder proposals are filed each year on social and governance issues that are directly related to the missions of U.S. foundations. For example, foundations seeking to address climate change will find proposals on many important issues including energy efficiency, greenhouse gas emissions, carbon disclosure reporting, Alberta oil sands, mountain top removal, and renewable energy. Foundations have a great opportunity to not only support their grantees who are addressing climate change, but also to use their investments to vote in line with their principles.

The 2010 Proxy Preview is designed to help foundations navigate these proposals and identify those that are relevant to their mission and grantmaking agendas. The Proxy Preview categorizes the proxies filed, highlights key issues, describes the social and environmental proposals, identifies the key investors and organizations filing them, and provides a list of companies and upcoming proxy votes. The Resource section will enable foundations to learn more about what their colleagues in the philanthropic community are doing to fully leverage their assets.

More and more foundations view proxy voting as a basic first step in aligning investments and mission. Proxy voting supports both strong fiscal management practices and the stated charitable mission of many foundations by backing stronger corporate social and environmental practices without compromising return. Yet inexplicably, most foundations still passively follow management recommendations even when they are in direct opposition with the foundations' own mission and values. The majority of annual shareholder meetings are held in the spring, and we hope that the information in this Proxy Preview will be used to help foundations vote proxies in a way to further advance and align mission.