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Shareholder Advocates Poised For Continued Success in 2011 As More Foundations Vote Proxies, New Report Predicts

Nearly 400 Environmental and Social Resolutions Filed in 2011 Including: Coal, Fracking, Political Spending, Foreclosures, Health Care & Toxic Chemicals

A new report released today shows investors gave unprecedented support for social and environmental shareholder resolutions in 2010, and predicts they are poised to follow suit in the 2011 proxy season. In sync with increasing mainstream investor interest in active stock ownership, more foundations and endowments are trying to align their missions and billions of dollars of investments, using proxy voting as a key tactic. Today's report gives these and other socially responsible investors critical data they can use to ensure their votes are consistent with their sustainable investing goals.

["Proxy Preview 2011"](#) is the revamped 7th edition of an annual report that in 2008 the *Chicago Tribune* called the "bible for socially progressive foundations, religious groups, pension funds, and tax-exempt organizations." It is a comprehensive review of the nearly 400 social and environmental resolutions that investors have filed at companies this spring.

"Proxy voting is an important way shareholders can send a much-needed message to companies that they expect honest, responsible management," says Andrew Behar, CEO of As You Sow, publisher of the Proxy Preview since 2005. "Last year, it was overwhelmingly clear that a growing number of shareholders want corporations to change the way they do business, and we expect to see the same trend this year."

Along with mainstream investors, many foundations, university endowments, and individual investors are displaying an increased interest in active stock ownership, aligning investment practices with their values. These active stockowners are helping to change corporate practices. For example, recent pressure from shareholders resulted in votes on executive compensation being mandated by Congress; 80 companies have committed to disclose political spending contributions; and 95 of *Fortune* 100 companies have adopted policies prohibiting discrimination on the basis of sexual orientation.

"Foundations are starting to vote more thoughtfully on proxy issues," says Michael Passoff, CEO of Proxy Impact and a co-author of the report. "They are taking advantage of their considerable power as shareholders to engage management on issues at the heart of their work."

This year shareholder resolutions will cover a range of issues, from climate change to mortgage foreclosures, sexual orientation discrimination, coal, hydraulic fracturing (fracking), health care, labor and human rights, and political spending.

“Shareholder resolutions are often the canary in the coal mine—identifying issues that companies will have to deal with *before* they become public relations problems. They also are a good measure of investor concern about ongoing controversies,” said Heidi Welsh, Executive Director of the Sustainable Investments Institute (Si2) and report co-author. “Votes have gotten too high to dismiss and this is changing the overall dynamic of stockowner relations with management.”

Highlights of key issues in 2011 shareholder resolutions include:

- **Environment:** Environmental proposals this year fall into three major categories—climate change, natural resource management, and toxics. Forty-one climate change proposals reiterate ongoing investor views about the need to limit greenhouse gas emissions and prepare their companies for a new energy future. Coal and fracking dominate the group of 44 natural resource management proposals, with several new angles about the financial risks of relying on coal-based energy.
- **Political Spending:** Continued national debate about campaign funding is reflected in the 84 proposals filed about corporate political spending. The vast majority of these proposals are coordinated by the non-partisan Center for Political Accountability. Also notable this year, however, are a new round of lobbying proposals from unions, and a campaign by SRI firms that takes issue with company contributions to the politically active Chamber of Commerce.
- **Mortgage Foreclosures:** Fifteen resolutions at the country’s major banks address different aspects of the foreclosure crisis, with proponents from both the city and state pension funds in New York, labor unions, community groups, and religious investors. The proposals are a barometer of investor concern about corporate risk-taking and lending practices.
- **Diversity:** The successful campaign to get companies to adopt sexual orientation non-discrimination policies continues, along with equally well-received proposals about board diversity—with a total of 46 filings.
- **Health Care:** As national health care reform continues to roil the national psyche, religious investors have filed a new proposal on insurance premiums at the five biggest insurers, along with one about prescription affordability at five drug companies.
- **Labor and Human Rights:** Approximately 30 proposals, mostly to defense contractors, stress the risks companies face while operating in conflict ridden areas of the world. Further, inspired by the Gulf of Mexico oil spill last year, the AFL-CIO has a new proposal on process safety management that it has submitted, with support from the United Steelworkers.

This year’s “Proxy Preview” is a collaboration between As You Sow, a nonprofit organization that promotes corporate responsibility through shareholder advocacy, grantmaking, and innovative legal strategies; the Sustainable Investments Institute (Si2), which conducts impartial research on social and environmental shareholder proposals; and Proxy Impact, a new proxy voting service for foundations, endowments, and socially responsible investors. For more information, view the full report at www.proxypreview.org.