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## **Corporate Political Spending, Climate Risks Are Major Focus of 2013 Shareholder Resolutions, Says New Report**

### ***365 Social & Environmental Resolutions Filed for Upcoming Proxy Season***

The new [Proxy Preview 2013](#) report, released today, shows investors face a rich mix of social and environmental shareholder resolutions in the upcoming corporate annual meeting season.

The *Preview* documents investors' continued voracious appetite for more disclosure of corporate political spending before and after elections; these 120+ resolutions account for a third of the resolutions filed. Proposals on climate change, energy, and their related risks—as well as interconnected questions about corporate sustainability strategies and transparency—account for about 40% of the 365 resolutions filed to date. Human rights and diversity on boards and in the workplace make up most of the rest.

“This proxy season will be extremely dynamic as investors ask companies to respond to super storms and the most expensive election ever,” said Andrew Behar, CEO of [As You Sow](#), publisher of the *Proxy Preview* since 2005. “Some shareholders are heartened by increased votes in recent years, while others want divestment because they believe companies have not done enough. Endowments, foundations, and pension trustees are grappling with this tension as they try to act as responsible fiduciaries and ensure they stay true to their values.”

“Political spending proposals are the connective tissue of proxy season, since they question how companies influence laws and regulations on all the other topics,” said Heidi Welsh, Executive Director of the [Sustainable Investments Institute](#) (Si2) and report co-author. “Resolutions on political spending show no sign of letting up even though the Presidential election is behind us,” added Welsh. About 120 political spending proposals have been filed in each of the last two years—twice the level of 2010.

Resolutions on climate change and environmental issues are the second largest category of proposals filed, with 92 companies. “Shareholder resolutions are canaries in the coal mine, highlighting problems companies must face, sooner or later,” says Michael Passoff, CEO of [Proxy Impact](#) and co-author of the report. “The energy sector is a key target this year. Hydraulic fracturing continues to be a hot topic with new resolutions asking for quantitative data on reducing health and environmental impacts and on greenhouse gas intensive methane emissions. Investors are also concerned about a ‘carbon bubble’ from overleveraged fossil fuel reserves as scientists say only 20% of reserves can be burned without causing climate chaos.”

*Proxy Preview 2013* is the ninth edition of the report hailed as the “Bible for socially progressive foundations, religious groups, pension funds, and tax-exempt organizations” by the *Chicago Tribune*. The *Preview* assesses the shareholder resolutions, how companies are responding, and policy changes affecting the proposals at the Securities and Exchange Commission (SEC).

The *Preview* also features perspectives from a stellar roster of issue experts including Kenneth Bertsch, CEO and President of the Society of Corporate Secretaries and Governance Professionals, John Ruggie, Professor of Human Rights and International Affairs at Harvard University, and Robert F. Kennedy, Jr., President of the Waterkeeper Alliance. It features additional leading voices from social investment firms, faith-based institutions, pension funds, unions, foundations, universities, and shareholder advocacy networks.



### **Highlights of 2013 Shareholder Resolutions:**

- **Political Spending:** A third of the proposals covered in the report (125), ask for more oversight and data on corporate political spending. Lobbying has grown to be a top issue, with 51 resolutions, up from 40 in 2012. Two early high votes on lobbying—37% at **VISA** and 32% at **Accenture**—suggest investors haven't lost their appetite for more action. The Center for Political Accountability is coordinating about half the political spending proposals, looking at campaign contributions and spending through nonprofit intermediary groups which do not have to name corporate funders.
- **Environment and Sustainability:** Shareholder proponents want climate change risk assessments, adaptation strategies, and more action on energy efficiency and target setting. Other environmental resolutions focus on promoting sustainable palm oil production, recycling and product responsibility, toxic materials, and water and forest management. The 92 environmental and sustainability resolutions increasingly look to company supply chains, not just direct operations. An important new SEC decision, reversing earlier precedent, now allows queries about taking into account greenhouse gas emissions in the lending portfolios of banks; **PNC Financial** and **JPMorgan Chase** have pending resolutions.
- **Diversity:** Many of the country's largest institutional investors want more diverse boards. In the workplace, companies increasingly are adopting anti-bias policies for lesbian, gay, bisexual, and transgender (LGBT) employees. But there are still at least two dozen proposals on these subjects. These resolutions will be considered even as some of the country's biggest companies have filed an *amicus curiae* brief at the Supreme Court supporting gay marriage.
- **Human rights:** Investors still want companies with long supply chains in developing countries and guarded operations in conflict zones to step carefully, rethink their engagement in some cases, and anticipate and prevent human rights abuses. Many of the 23 human rights proposals in 2013 invoke the new UN Principles on Business and Human Rights that aim to help this process.

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

The report is available at [www.proxypreview.org](http://www.proxypreview.org).

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