



PRESS RELEASE

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NEW ANALYSIS:

MIXED RESULTS FOR 2015 PROXY SEASON ON SOCIAL & ENVIRONMENTAL ISSUES

Record Number of Votes, More Support for Election Spending Disclosure But Deals Evaporate on Sustainability Disclosure and Support Slips for GHG Emissions Targets

WASHINGTON, DC, August 19, 2015—Investors voted on more shareholder proposals than ever before in the 2015 proxy season, but support in key areas slipped compared with 2014. A new analysis from the Sustainable Investments institute (SI²) examining action from January to July predicts the total number of proposals filed on social and environmental issues will reach a new high of 468 for the year.

There were fewer resolutions about corporate political activity than in the last three years, but the number of lobbying resolutions rose and one-third of company shares were cast in support of election spending disclosure, a first. Average support for carbon accounting disclosure fell, however, even as more investors than ever indicated they wanted information on how companies will cope with climate change-related risks. A striking finding was that shareholder proponents reached far fewer agreements about sustainability reporting than in many years. This may be because proponents want companies to do more, or because they went back to more companies that are pushing back on voluntary disclosures.

The fall in average overall support for social and environmental issues came even though proponents of proxy access celebrated majority votes and convinced more than 40 companies to allow big investors to nominate directors. So far, just one social vote surpassed 50 percent, at **Nabors Industries** (down from seven majorities last year). The overall proportion of resolutions withdrawn (mostly following company decisions to act) stayed about the same, while the proportion of resolutions that failed to meet SEC standards for inclusion in proxy statements edged up to 13 percent of those filed, after having fallen for several years. The overall average now stands at 20.0 percent, down from 22.2 percent in 2014. Up to 13 more votes on social issues and sustainability will occur before December.

Proponents retained their keen focus on energy and politics and the highest scoring category by far was political activity, which included among others 23 votes that asked for board oversight and disclosure of election spending. The 34.4 percent average on these is an all-time high, celebrated by the Center for Political Accountability. Lobbying disclosure proposals coordinated by Walden Asset Management and the American Federal of State, County and Municipal Employees (AFSCME) again made up a plurality of political activity proposals—earning average support of about one-quarter of shares cast.

On the climate front, the average support for a mix of resolutions fell by more than a percentage point, with scores for greenhouse gas (GHG) emissions target setting falling to 19 percent, down three points from 2014. Climate change risk report requests were a little more popular—earning 24 percent on

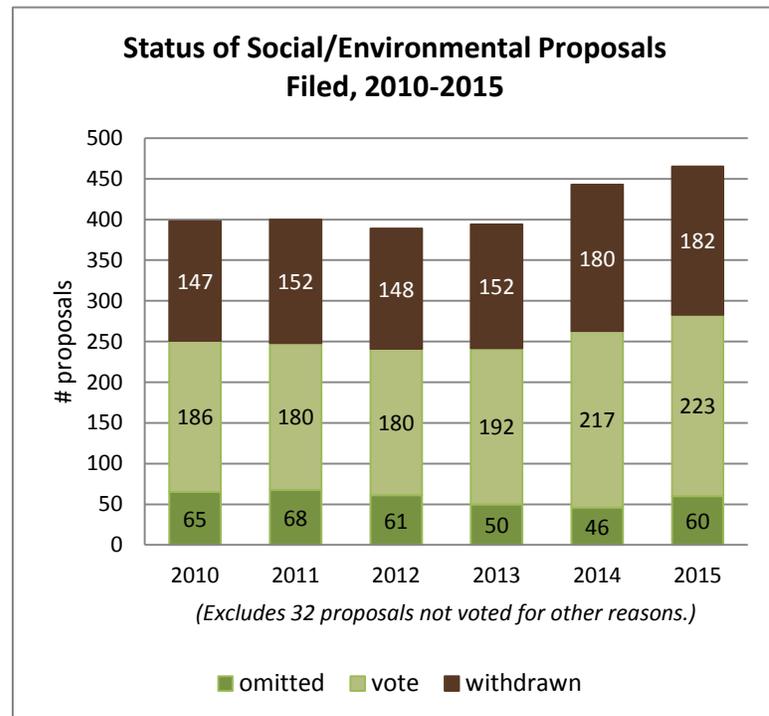
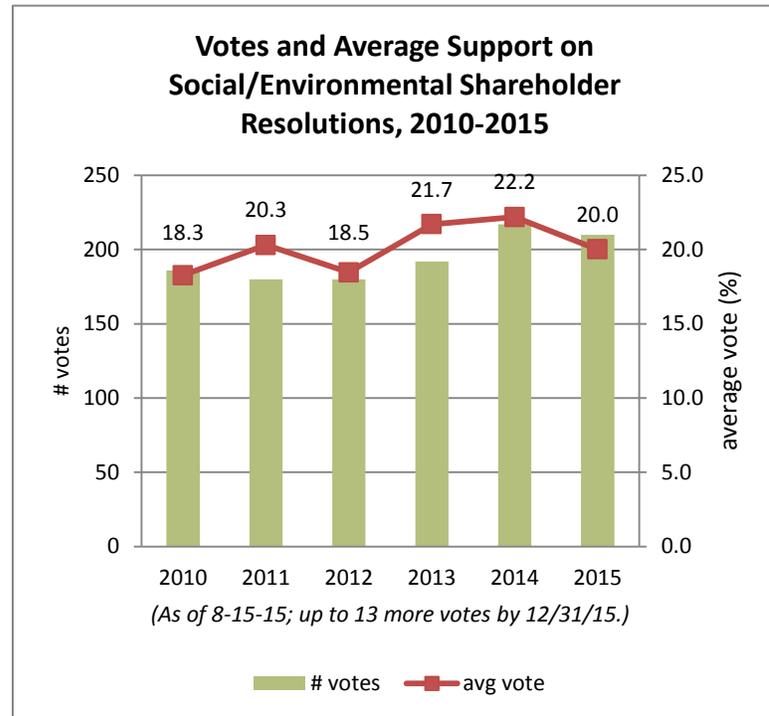
average, up two points from last year. Key wins occurred off the proxy ballot on deforestation: now more than 20 companies have pledged to take action in their global palm oil supply chains.

On human rights, the highest vote of 31 percent came at **Kroger**, which has faced labor complaints at domestic suppliers. Other proposals again asked for human rights risk assessments, and got promises for these analyses at five firms.

Political conservatives filed twice as many proposals in 2015 as the previous year, but a new push seeking free speech rights for employees was largely stymied since the SEC staff found this was not an admissible subject.

Agreements scarcer: Proponents measure success not just by vote tallies, but also by negotiated withdrawals. While proponents are quick to trumpet successes, they also seem to be asking for more now and becoming pickier about striking agreements. There were far fewer climate change withdrawals—34 this year instead of 47 last year, and far fewer sustainability reporting withdrawals—16 instead of 34 last year. It also may be that engagements outside the proxy season arena are producing results that satisfy proponents, leaving more resolutions at companies where accords are more elusive.

Fewer high votes: The 51.5 percent vote for a sustainability reporting resolution at **Nabors Industries** came where investors have been unhappy with corporate governance practices and profits have slipped. Twelve other proposals earned between 40 percent and 49 percent—and investors had voted in the past on all but three of them. This number of proposals earning over 40 percent is down from 20 in 2014. Four of the top scorers were sustainability report requests and the rest were on corporate political activity.



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(SEE CHARTS, NEXT PAGE)



2015 Social/Environmental Resolutions With More than 40 Percent Support

Company	Proposal	Proponent	Vote (%)
Nabors Industries	Publish sustainability report	Appleaseed Fund	51.5*
Waste Management	Review/report on political spending	NYSCRF	46.7*
Commercial Metals	Publish sustainability report	Walden Asset Mgt.	46.5
Raytheon	Review/report on political spending	NYSCRF	45.9*
Clarcor	Publish sustainability report	Walden Asset Mgt.	45.2*
PPL Corporation	Review/report on political spending	NYC pension funds	44.6*
NiSource	Review/report on political spending	NYSCRF	44.5*
Raytheon	Report on lobbying	Sisters of St. Agnes	42.6*
Western Union	Review/report on political spending	NYSCRF	41.5*
Cabot Oil & Gas	Review/report on political spending	NYC pension funds	41.3*
CenterPoint Energy	Report on lobbying	Zevin Asset Management	41.27
Ameren	Report on lobbying	United Church Funds	41.0*
Genworth Holdings	Publish sustainability report	Friends Fiduciary	40.0

*Resubmission from previous year(s) Source: Sustainable Investments Institute (Si2)

Social/Environmental Proposals Pending for Late 2015 Votes

Company	Proposal	Proponent	Meeting
AutoZone	Review/report on political spending	NYC pension funds	Dec.
Cardinal Health	Review/report on political spending	Teamsters	Nov.
Cisco Systems	Review/report on political spending	Clean Yield Asset Mgt.	Nov.
	Implement the Holy Land Principles	Holy Land Principles	
Darden Restaurants	Report on lobbying	AFL-CIO	Sept. 17
FedEx	Review/report on political spending	NYC pension funds	Sept. 28
	Report on lobbying	Clean Yield Asset Mgt.	
NIKE	Review/report on political spending	Green Century	Sept. 17
Oracle	Report on lobbying	Boston CAM	Nov.
	Set renewable energy targets	Trillium Asset Mgt.	
Palo Alto Networks	Report on board diversity	Trillium Asset Mgt.	Dec.
Symantec	Review/report on political spending	NC Retirement Systems	Oct.
	Establish board committee on sustainability	Jing Zhao	