

Proxy Power: This Year's Hottest Issues

By Andrew Behar | February 17th, 2011

[Shareholder activism](#) is alive and well. This year individual and institutional investors will use their power to influence corporate policy on key social and environmental issues by casting their annual proxy votes. These votes are an important way for shareholders to send a much-needed message to companies that they expect honest, responsible management.

In 2010, investors registered [record-breaking](#) support for resolutions on issues ranging from political spending to sexual orientation discrimination to climate change. And, while garnering over 10% of the vote on a shareholder resolution is enough to make management sit up and listen, 2010 saw important resolutions receiving over 50% support: for votes to publish sustainability reports (Layne Christensen) and conduct a climate change impact assessment (Massey Energy).



The trend is clear: foundations, university endowments, and individual shareholders are using the power of their proxy to impact corporate policy. Foundations in particular are recognizing that proxy voting helps ensure their investments are in line with the larger values they're working to promote.

Yet many investors may still not be clear on which resolutions are aligned with their mission. In fact, the success of shareholder resolutions in recent years has led to a broad array of new resolutions in 2011. This year there are nearly 400 resolutions on social and environmental issues alone—ranging from climate change, coal, hydraulic fracturing (fracking), toxic chemicals, and water scarcity to political spending, health care, mortgage foreclosures, human rights, board diversity, and animal welfare.

With this increased potential for making a major impact, it's more important than ever for shareholders to know how they can make their voices heard. That's where ["Proxy Preview 2011"](#) comes in.

"Proxy Preview 2011" is the 7th edition of an annual report that the *Chicago Tribune* called the "bible for socially progressive foundations, religious groups, pension funds, and tax-exempt organizations." The report provides a comprehensive review of social and environmental resolutions that will be presented to shareholders this proxy season.

[As You Sow](#) has published Proxy Preview since 2005. This year we're thrilled to collaborate with 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 and socially responsible investors. We have also included issue experts that represent organizations including: AFL-CIO, Center for Political Accountability, Ceres, Harrington Investments, The Humane Society, Interfaith Council on Corporate Responsibility, New York State Pension Fund, North Star Asset Management, Order of St. Francis, Proxy Impact, Trillium Asset Management, and Walden Asset Management.

On Wednesday, February 23 from 1:30 to 3:00 p.m. ET, we'll hold a webinar to highlight key environmental and social issues that investors will vote on at corporate annual meetings this year. I'll moderate the panel, which will feature Heidi Welsh, co-author and Executive Director of Si2, presenting an overview of proxy season 2011. Michael Passoff, co-author and CEO of Proxy Impact, Leslie Lowe, Consulting Senior Strategist of [As You Sow](#), Bruce Freed, President of the Center for Political Accountability, and Tim Smith, Senior Vice President and Director of ESG Shareowner Engagement of Walden Asset Management will provide insight into this year's hot topics, with a look at advocacy groups' past successes.

Sponsors of the webinar include Singing Field Foundation, Educational Foundation of America, Jessie Smith Noyes Foundation, The Foundation Partnership on Corporate Responsibility, Trillium Asset Management, First Affirmative Financial Network, Calvert Investments, Veris Wealth Partners, and Moxy Vote.

And here's a preview of the "Preview": Front and center this year, on each and every proxy, is the question of executive pay. As we know, unchecked CEO pay was one key factor contributing to the stock market implosion. As a result, shareholders worked long and hard to convince the SEC to adopt new rules requiring an advisory vote on executive pay, known as "Say on Pay." This year, we all have the opportunity to vote on executive pay and will also be asked to vote on the frequency of future Say on Pay votes. It's thanks to shareholder activism that we have this opportunity, and we will use it well.

It's an exciting time for all of us who believe that corporations have a responsibility to address the critical issues facing our nation and our world. Join us this year as we prove, once again, that shareholder activism is here to stay.

Register for the Proxy Preview 2011 webinar here: <http://bit.ly/Proxy11Reg>

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