

## **Sustainability Investment News**

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### **As You Sow Publishes Annual Preview of Shareowner Proposals for 2009**

by Robert Kropp

The Foundation counts more than 100 proposals on executive compensation, and reports that health care reform has the largest increase in proposals for the second year in a row.

SocialFunds.com -- Since 2005, following the publication of its booklet Unlocking the Power of the Proxy, the As You Sow Foundation, a shareowner advocacy organization, has published an annual preview of shareowner proposals filed on environmental, social, and governance (ESG) issues. The reports, including Proxy Preview 2009, are available for download on the Foundation's website.

The 2009 preview divides shareowner proposals into two types. Governance proposals focus on traditional management issues, such as board diversity or executive compensation, that overlap with social issues. Social proposals call for reports or policy changes on social or environmental issues.

The report notes that fallout from the economic crisis is leading the US Congress and the Securities and Exchange Commission (SEC) to develop measures that have the potential for bringing about the most significant changes in corporate governance since passage of the Sarbanes-Oxley law in 2002.

In the wake of the economic crisis, the report does not find it surprising that the number of proposals calling for advisory votes on executive compensation, commonly known as Say on Pay, has increased to more than 100. Seventeen predatory lending proposals were filed, targeting lenders, banks, and credit card companies. A number of proposals request that mainstream mutual funds and investment advisors review their proxy voting policies in order to bring those policies in line with those companies' stated commitments to sustainability, corporate responsibility, environmental and social policies.

In an effort led by the AFL-CIO, which has pointed out that access to affordable, comprehensive health care insurance is the most significant social policy issue in America, health care reform proposals nearly doubled in 2009 to 42 already filed, compared to 24 in 2008.

Other social issues whose importance is measured by an increase in the number of proposals include sexual orientation non-discrimination and climate change.

Among the major players in advancing issues of importance to socially responsible investing (SRI) are faith-based institutional investors, labor unions, pension funds, non-governmental organizations (NGOs) and SRI investors themselves.

As you Sow concludes its 2009 preview with the following quote from the former Supreme Court Justice Louis Brandeis:

"There is no such thing to my mind... as an innocent stockholder. He may be innocent in fact, but socially he cannot be held innocent. He accepts the benefits of the system. It is his business and his obligation to see that those who represent him carry out a policy which is consistent with the public welfare."

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