



# New Ceres Survey Data: U.S. Mutual Funds Backtrack in Supporting Climate Resolutions in 2010

## EXECUTIVE SUMMARY

Mutual funds control a considerable portion of the U.S. securities market. On its website, the Investment Company Institute notes that “approximately 55 percent – or \$4.94 trillion – of total mutual fund assets are invested in stock funds.”<sup>1</sup> Nearly half of U.S. households own mutual funds, mostly through employer-sponsored retirement plans.<sup>2</sup>

“Climate change brings fundamental implications for investment patterns, risks and rewards.”

- Andrew Kirton, Chief Investment Officer at Mercer, February 2011

This study examines how U.S. mutual fund companies have been acting, or not acting, to address climate change risks in their portfolios through their proxy voting.

The survey analyzed 46 mutual fund families’ proxy votes on 36 shareholder-sponsored climate change-related resolutions in the 2010 proxy season. Collectively, these funds manage approximately \$6 trillion<sup>3</sup>.

This year’s survey found that U.S. mutual funds’ voting support for climate-related shareholder resolutions is not keeping pace with the escalating risks associated with climate change. Funds’ overall support for climate resolutions dropped from 27 percent in 2009 to 24 percent in 2010, after rising steadily the previous three years.

Support for climate resolutions is split between leaders and weak performers, with TIAA-CREF and seven other leading fund companies voting in support of more than 50 percent of climate-related shareholder resolutions in 2010, and 10 large fund companies failing to support a single climate-related resolution.

Among the weak performers are mutual fund giants Vanguard and State Street.

The data for this study were obtained from the U.S. Securities and Exchange Commission (SEC). Mutual funds in the U.S. have been required to annually report to the SEC on how they vote the proxies of companies within their portfolios since 2004. The methodology on which this survey is based is identical to that of previous years ([see Appendix 1: Methodology in Ceres’ 2010 report](#)).<sup>4</sup>

<sup>1</sup> [www.ici.org/faqs/FAQS\\_MF\\_STOCK\\_FUNDS](http://www.ici.org/faqs/FAQS_MF_STOCK_FUNDS)

<sup>2</sup> ICI Study: More Than 50 Million U.S. Households Own Mutual Funds, December 3, 2009. [http://www.ici.org/pressroom/news/09\\_news\\_own\\_char](http://www.ici.org/pressroom/news/09_news_own_char)

<sup>3</sup> [www.morningstar.com/Cover/Funds.aspx](http://www.morningstar.com/Cover/Funds.aspx)

<sup>4</sup> [www.ceres.org/mutual\\_funds\\_2010](http://www.ceres.org/mutual_funds_2010)

## Climate Risks Are Growing

Reduced mutual fund support for climate resolutions in 2010 is troubling given the increasing evidence that climate change impacts are accelerating and posing significant financial risks to investment portfolios (see sidebar). The SEC recognized this emerging trend when it issued interpretive guidance in February 2010 outlining the types of climate-related risks companies must disclose in their financial filings.<sup>5</sup>

Recent reports by the consulting group [Mercer](#) and [Deutsche Bank Climate Change Advisors](#) have shed further light on the financial risks and opportunities of climate change. Mercer's study warned that climate change could increase investment portfolio risk by 10 percent and predicted that opportunities for low-carbon technology investment could be as high as \$5 trillion by 2030.

Impacts consistent with climate change are accelerating and increasingly impact the bottom line (see sidebar).

Regulatory and competitive risks are also rising. Though U.S. policymakers are stalled on carbon-reducing policies, the U.S. Environmental Protection Agency is taking steps to begin regulating greenhouse gases under the Clean Air Act, as required by the Supreme Court.

Many other countries are putting policies in place to reduce carbon emissions. India is now levying a carbon tax on coal producers. Brazil passed a law requiring 32 emission-reducing activities. And China is dominating the wind and solar industries, with its largest industries already having low-carbon strategies in place.

### KEY SURVEY RESULTS

Eight leading U.S. mutual fund companies voted in support of a high percentage of climate-related shareholder resolutions in 2010, including TIAA-CREF, Wells Fargo and Dimensional. At the same time, 10 large fund companies failed to support a single climate-related resolution during the year. See Appendix 2 for the list of shareholder resolutions filed in 2010.

Surprisingly, a number of fund families showed a significant decrease in support of climate-related resolutions from 2009 to 2010. One possible explanation for this drop could be a perceived reduction by mutual funds in regulatory risk due to the new political climate and collapse of comprehensive U.S. climate legislation.

### Climate Change Impacts are Accelerating

- 2010 tied with 2005 for the warmest year ever recorded, globally.
- 2010 was the year with the second-most natural disasters, of which nine-tenths were weather-related (approximately 855), according to Munich RE.<sup>6</sup>
- Catastrophic floods devastated an area of Australia larger than France and Germany combined and also devastated nearly 20 percent of Pakistan, causing a spike in commodity prices for coal, cotton and grains.
- Following record-breaking temperatures, unprecedented forest fires ravaged the outskirts of Moscow plunging the city into an eerie smoky twilight for weeks on end during the summer. Munich RE categorized the Russian heat wave and fires as one of the top five "great natural catastrophes of 2010."<sup>7</sup>
- Two leading U.S. proxy advisors Risk Metrics Group and Proxy Governance, Inc. both recommended that their clients support more than 60 percent of the year's climate-related shareholder resolutions in 2010.

<sup>5</sup> [www.sec.gov/news/press/2010/2010-15.htm](http://www.sec.gov/news/press/2010/2010-15.htm)

<sup>6</sup> [www.munichre.com/en/media\\_relations/press\\_releases/2011/2011\\_01\\_03\\_press\\_release.aspx](http://www.munichre.com/en/media_relations/press_releases/2011/2011_01_03_press_release.aspx)

<sup>7</sup> Ibid.

**Figure 1: Trends in Mutual Funds Voting on Climate Resolutions from 2004-2010**

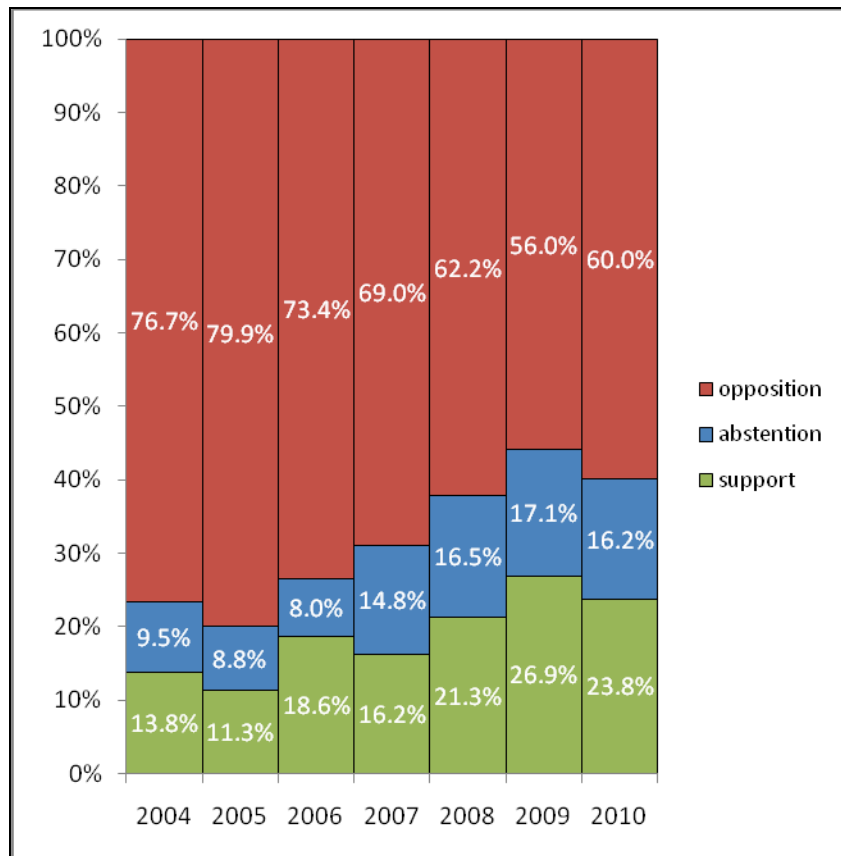


Figure 1 shows that after three years of year-on-year incremental increase in support for climate resolutions and five years of year-on-year decrease in opposition, average support across the 46 fund families surveyed fell by 3.1 percent in 2010 while opposition grew by 4.0 percent.

## THE LEADERS

Eight mutual fund families continued to support a majority of climate resolutions that they faced in the proxies of their portfolio companies in 2010 (Table 1).

**Table 1: Leading Mutual Fund Company Support for Climate Resolutions 2004-2010**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>TIAA-CREF</b>	81.4% (70)	100.0% (93)	77.3% (132)	58.0% (113)	86.6% (275)	77.9% (321)	82.6% (409)
<b>DIMENSIONAL</b>	0.0% (38)	0.0% (24)	0.0% (19)	0.0% (55)	65.6% (221)	72.0% (200)	70.7% (276)
<b>SCHRODER</b>	37.5% (8)	16.7% (6)	50.0% (4)	42.9% (7)	54.5% (12)	72.7% (11)	69.2% (14)
<b>WELLS FARGO</b>	0.0% (53)	0.0% (86)	7.1% (28)	2.2% (46)	61.3% (75)	81.6% (38)	63.9% (83)
<b>OPPENHEIMER CREDIT SUISSE</b>	0.0% (7)	0.0% (5)	0.0% (3)	0.0% (23)	0.0% (47)	69.2% (39)	58.1% (43)
<b>DELAWARE</b>	28.6% (7)	50.0% (10)	80.0% (5)	60.0% (15)	66.7% (63)	73.3% (86)	55.9% (59)
<b>FIFTH THIRD</b>	29.4% (17)	36.4% (11)	0.0% (1)	0.0% (4)	56.3% (16)	92.3% (13)	53.8% (26)
	35.0% (21)	26.7% (15)	42.9% (7)	33.3% (6)	60.3% (63)	71.1% (45)	52.0% (50)

*The number of votes cast on climate resolutions is shown in parentheses and the percentage shows the portion of votes cast in support (compared with all votes for, against and abstained). Mutual fund companies may vote on the same resolution multiple times, depending on the number of mutual funds they manage.*

## THE WEAK PERFORMERS

Over the seven-year survey period, ten of the fund companies shown in Table 2 did not record a single vote “for” a climate-related resolution.

**Table 2: Mutual Fund Company Weak Performers in Voting on Climate Resolutions in 2010**

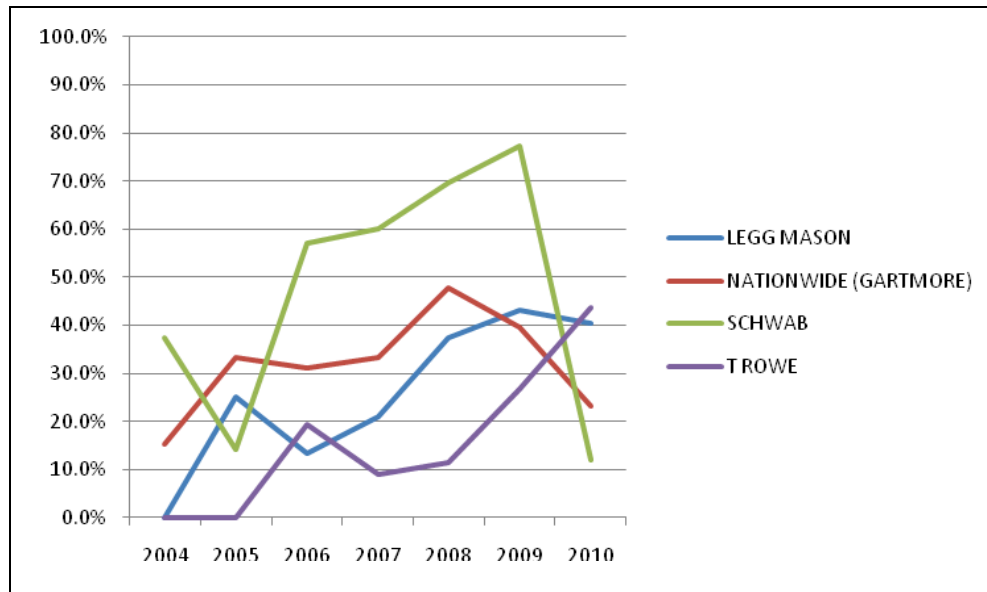
	<b>2010</b>
	0.0%
<b>ALLIANCEBERNSTEIN</b>	(47)
	0.0%
<b>AMERICAN</b>	(80)
	0.0%
<b>BNY MELLON</b>	(28)
	0.0%
<b>COLUMBIA</b>	(164)
	0.0%
<b>DREYFUS</b>	(112)
	0.0%
<b>DWS (DWS SCUDDER)</b>	(189)
	1.6%
<b>FIDELITY</b>	(246)
	0.4%
<b>ING</b>	(278)
	0.0%
<b>LORD ABBETT</b>	(92)
	0.0%
<b>RIVERSOURCE (AXP)</b>	(105)
	0.0%
<b>STATE STREET</b>	(49)
	0.0%
<b>VANGUARD</b>	(422)

*The number of votes cast is shown in parentheses and the percentage shows the portion of votes cast in support.*

## SHIFTING SUPPORT

Some mutual fund companies such as Legg Mason and T. Rowe Price have shown a gradual increase in support over the seven-year survey period and could reach 50 percent support in 2011. Other fund families, such as Schwab and Nationwide, that had previously indicated increasing support on climate-related resolutions, showed an unexpected drop off in “for” votes from previous years (see Figure 2 below).

**Figure 2: Trends in Mutual Funds Voting on Climate Resolutions from 2004-2010 for Select Fund Families**



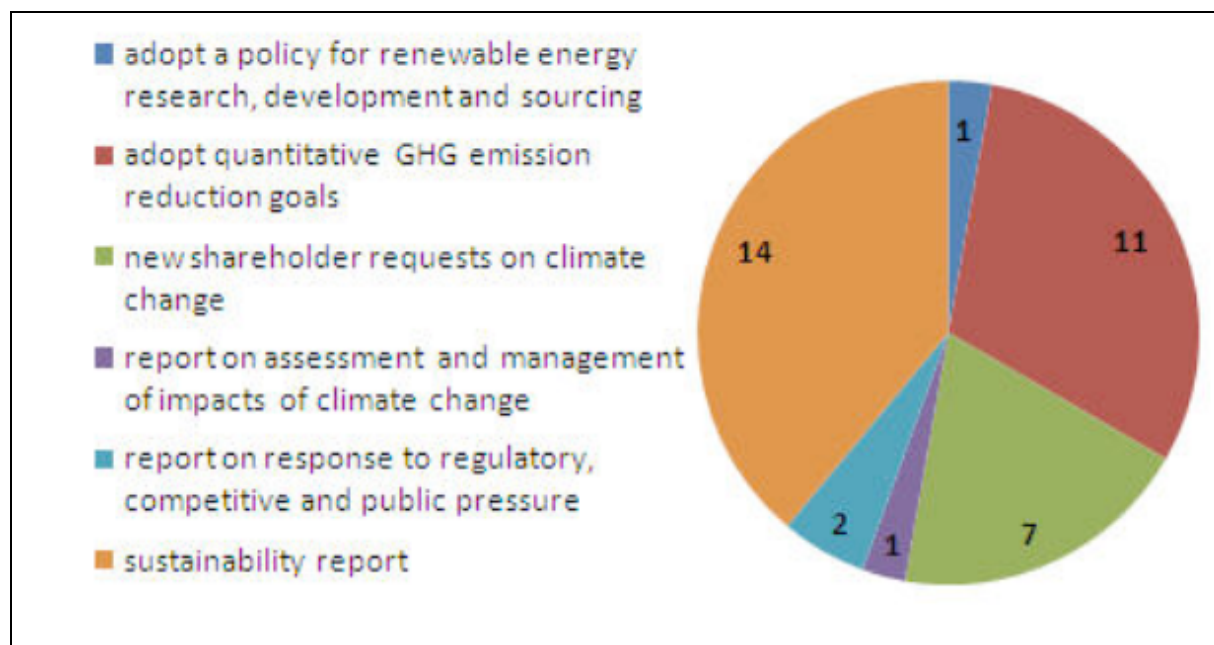
Additional survey results show that 27 mutual fund companies - or more than half of those surveyed - supported less than a quarter of the climate resolutions they voted on in 2010, as shown in Appendix 1.

One possible reason for diminished support could be that mutual fund managers perceived reduced regulatory risk as the prospects for passing a federal climate bill dimmed during the 2010 proxy season.

In addition, shareholder resolutions in 2010 focused on a broader array of risks related to climate change and energy, including new resolutions on the financial risks of climate change, rainforest sustainability, oil sands extraction risks and coal ash disposal risk mitigation.

Shareholders also targeted a larger number of companies in 2010 than ever before, resulting in the possibility that mutual funds' votes in support of climate-related resolutions may have lagged as they grappled with both new resolution types and new focus companies (see Appendix 2 for details of climate resolutions that came to vote in the 2010 proxy season).

**Figure 3: Breakdown of Climate Resolution Requests for 2010**



## A STEP IN THE RIGHT DIRECTION

In 2010 State Street moved from voting against all proposals to abstaining on climate-related resolutions (see Table 3 below). While abstaining does not explicitly support a resolution, it can increase the final vote percentage in favor of the resolution, depending on how a company tallies its votes. The typical method for vote tallying is to divide the votes “for” by the sum of the votes “for” and “against,” and to throw out the abstaining votes. Under these circumstances, abstaining, rather than voting against a resolution, can actually help support a resolution.

State Street’s policy change appears to signal recent consideration of climate risk and a possible shift to supporting climate related resolutions in the future. However, the firm’s rationale for not supporting any of the resolutions is not clear, since many resolutions clearly address the kinds of material climate-related risks the SEC described in its interpretive guidance.

## RECOMMENDATIONS FOR MUTUAL FUND INVESTORS

Mutual fund investors are encouraged to contact fund companies with weak voting records to express concern and to inquire about their funds’ proxy voting and climate-related investing strategies. Funds should be encouraged to update their public proxy voting guidelines, if appropriate. Funds with the strongest voting support for climate resolutions typically have robust proxy voting guidelines.

If a fund company demonstrates a lack of understanding of climate-related risks and opportunities, investors may want to consider investment managers that are more aware of current trends.

Thus far in the 2011 proxy season, 102 resolutions have been filed with more than 80 companies and more than 50 resolutions are likely to go to vote in the coming months. Investors are encouraged to consider the merits of these resolutions and vote accordingly. Investors can also outsource the voting of their proxies for free through sites such as [moxyvote.com](http://moxyvote.com).

Nearly three dozen resolutions have been withdrawn thus far following successful negotiations between companies and filers. For more information on the resolutions filed, see [www.incr.com/resolutions](http://www.incr.com/resolutions).

To see Ceres reports issued in previous years on mutual fund proxy voting, visit [www.ceres.org](http://www.ceres.org) and search for “mutual funds.”

## **ABOUT THE AUTHORS**

**Rob Berridge** is a senior manager of Investor Programs at Ceres, where he leads shareholder engagement with companies on climate change, sustainability and governance issues, as well as various projects for the Investor Network on Climate Risk. Prior to Ceres, Rob served as a board member and vice president of Green Century Capital Management and as a staff member of U.S. EPA’s Green Lights and Energy Star Programs. He has also worked in commercial lending, as an environmental consultant, and for a start-up hazardous waste recycling firm. Rob has a degree in Environmental Studies from Brown University and a Masters in Business Administration from the Kellogg School of Management at Northwestern University.

**Jackie Cook** is founder of Fund Votes ([www.fundvotes.com](http://www.fundvotes.com)), an independent project established in 2004 that tracks mutual fund proxy voting in the U.S. and Canada. The data, covering over 23 million decisions spanning seven years of mutual fund proxy voting in the U.S. and five years in Canada, have been used in a number of industry reports and news articles. Jackie has previously worked for The Corporate Library and Cambridge University’s ESRC Centre for Business Research in research positions focusing on corporate governance, mutuality and corporate social responsibility and continues to conduct research in the area of corporate governance disclosure and the financial crisis for the United Nations Conference on Trade and Development (UNCTAD). Jackie has a BA (Hons) and a MA degree in Clinical and Research Psychology, respectively, from South African universities and a second BA (Hons) degree in Economics and Management from Oxford University’s Saïd Business School.

**Ceres** is a national coalition of investors, environmental groups, and other public interest organizations working with companies to address sustainability challenges such as climate change. Ceres also directs the Investor Network on Climate Risk, a group of more than 95 institutional investors from the U.S. and Europe managing \$9.5 trillion in combined assets. Launched at the Institutional Investor Summit on Climate Risk at United Nations Headquarters in 2003, INCR promotes better understanding of the risks of climate change among institutional investors. For more information, visit [www.ceres.org](http://www.ceres.org) and [www.incr.com](http://www.incr.com).

**APPENDIX 1:  
FUND FAMILIES RANKED BY 2010 SUPPORT FOR CLIMATE RESOLUTIONS**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
TIAA-CREF	81.4% (70)	100.0% (93)	77.3% (132)	58.0% (113)	86.6% (275)	77.9% (321)	82.6% (409)
DIMENSIONAL	0.0% (38)	0.0% (24)	0.0% (19)	0.0% (55)	65.6% (221)	72.0% (200)	70.7% (276)
SCHRODER	37.5% (8)	16.7% (6)	50.0% (4)	42.9% (7)	54.5% (12)	72.7% (11)	69.2% (14)
WELLS FARGO	0.0% (53)	0.0% (86)	7.1% (28)	2.2% (46)	61.3% (75)	81.6% (38)	63.9% (83)
OPPENHEIMER	0.0% (7)	0.0% (5)	0.0% (3)	0.0% (23)	0.0% (47)	69.2% (39)	58.1% (43)
CREDIT SUISSE	28.6% (7)	50.0% (10)	80.0% (5)	60.0% (15)	66.7% (63)	73.3% (86)	55.9% (59)
DELAWARE	29.4% (17)	36.4% (11)	0.0% (1)	0.0% (4)	56.3% (16)	92.3% (13)	53.8% (26)
FIFTH THIRD	35.0% (21)	26.7% (15)	42.9% (7)	33.3% (6)	60.3% (63)	71.1% (45)	52.0% (50)
GMO	31.6% (19)	28.0% (25)	55.6% (36)	50.0% (48)	0.0% (91)	0.0% (67)	49.4% (77)
GOLDMAN SACHS	20.0% (25)	36.4% (22)	40.0% (15)	44.0% (50)	47.4% (114)	53.3% (90)	43.6% (149)
T ROWE	0.0% (68)	0.0% (55)	19.4% (31)	9.1% (85)	11.4% (201)	26.7% (180)	43.6% (243)
PHOENIX	15.1% (55)	12.1% (33)	28.6% (7)	34.0% (53)	45.5% (55)	41.7% (36)	41.3% (46)
LEGG MASON	0.0% (4)	25.0% (4)	13.3% (15)	21.0% (62)	37.4% (123)	43.2% (139)	40.4% (109)
JOHN HANCOCK	17.6% (68)	11.6% (70)	44.1% (38)	25.2% (168)	21.0% (160)	38.7% (290)	39.8% (299)
MASSMUTUAL	23.2% (57)	16.4% (55)	22.2% (27)	31.9% (115)	26.0% (215)	45.0% (192)	38.1% (215)
MORGAN STANLEY	4.4% (68)	7.5% (53)	4.3% (47)	0.0% (97)	18.6% (227)	26.4% (144)	31.1% (180)
MFS	0.0% (24)	0.0% (16)	0.0% (8)	6.4% (47)	6.7% (120)	0.0% (73)	30.8% (133)
JANUS	19.4% (34)	6.5% (46)	30.0% (20)	35.8% (83)	37.9% (132)	57.8% (112)	26.7% (108)
INVESCO (AIM)	20.0% (25)	3.1% (32)	20.0% (10)	22.0% (41)	17.9% (57)	18.4% (49)	25.5% (106)
TRANSAMERICA (AEGON)	0.9% (108)	10.3% (80)	16.7% (6)	12.5% (36)	9.3% (97)	20.0% (65)	24.8% (161)
NATIONWIDE (GARTMORE)	15.4% (13)	33.3% (15)	31.3% (17)	33.3% (48)	47.8% (162)	39.7% (141)	23.1% (161)
VAN KAMPEN	0.0% (9)	0.0% (18)	0.0% (10)	0.0% (36)	15.5% (71)	25.8% (62)	18.5% (67)
ALLIANZ	21.7% (23)	31.3% (16)	33.3% (6)	40.9% (22)	21.7% (60)	29.4% (34)	18.4% (49)

PIONEER	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.9%
	(12)	(10)	(2)	(18)	(50)	(39)	(65)
SCHWAB	37.5%	14.3%	57.1%	60.0%	69.6%	77.3%	12.1%
	(8)	(7)	(7)	(15)	(23)	(22)	(33)
NEUBERGER	75.0%	0.0%	25.0%	24.0%	14.7%	16.0%	10.0%
BERMAN	(4)	(3)	(8)	(25)	(34)	(25)	(30)
METROPOLITAN	0.0%	0.0%	0.0%	10.0%	10.3%	9.4%	9.5%
	(32)	(32)	(13)	(52)	(99)	(86)	(95)
JP MORGAN	12.5%	25.6%	62.5%	39.2%	8.1%	3.8%	8.0%
	(18)	(82)	(48)	(74)	(335)	(210)	(336)
AMERICAN CENTURY	16.2%	0.0%	0.0%	0.0%	0.0%	12.9%	7.6%
	(68)	(56)	(32)	(98)	(254)	(225)	(250)
PUTNAM	0.0%	0.0%	0.0%	6.7%	0.0%	1.9%	7.4%
	(13)	(25)	(8)	(15)	(217)	(163)	(243)
FEDERATED	0.0%	0.0%	0.0%	2.8%	5.9%	9.1%	5.9%
	(31)	(23)	(8)	(36)	(85)	(73)	(68)
FRANKLIN	0.0%	29.0%	0.0%	19.1%	1.0%	1.4%	5.7%
TEMPLETON	(18)	(31)	(20)	(49)	(101)	(72)	(105)
BLACKROCK	0.0%	0.0%	0.0%	17.9%	35.5%	29.5%	3.8%
	(11)	(18)	(2)	(67)	(107)	(88)	(158)
RUSSELL (FRANK	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	3.8%
RUSSELL)	(53)	(34)	(24)	(50)	(249)	(65)	(106)
FIDELITY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%
	(65)	(62)	(56)	(92)	(194)	(155)	(246)
ING	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
	(176)	(122)	(75)	(244)	(550)	(267)	(278)
ALLIANCEBERNSTEIN	19.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	(21)	(11)	(9)	(35)	(75)	(52)	(47)
AMERICAN	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	(44)	(41)	(10)	(54)	(105)	(70)	(80)
BNY MELLON	0.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%
	(10)	(11)	(5)	(15)	(35)	(17)	(28)
COLUMBIA	60.0%	0.0%	52.9%	3.6%	14.7%	1.3%	0.0%
	(5)	(1)	(17)	(84)	(68)	(78)	(164)
DREYFUS	7.7%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%
	(26)	(20)	(14)	(36)	(57)	(65)	(112)
DWS (DWS SCUDDER)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	(11)	(7)	(4)	(24)	(223)	(196)	(189)
LORD ABBETT	0.0%	0.0%	22.2%	0.0%	0.0%	0.0%	0.0%
	(13)	(21)	(9)	(50)	(83)	(60)	(92)
RIVERSOURCE (AXP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	(43)	(40)	(24)	(79)	(140)	(116)	(105)
STATE STREET	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	(34)	(19)	(7)	(29)	(68)	(41)	(49)
VANGUARD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	(85)	(84)	(72)	(170)	(296)	(306)	(422)

**APPENDIX 2:**  
**2010 CLIMATE RESOLUTION “RESOLVED” CLAUSES**

**Auto**

**GENTEX CORP (2010-05-13)**

**#3 "Sustainability Report" (Shareholder Support: 32.5%)**

*Filed by: Walden Asset Management, Board of Pensions of the Evangelical Lutheran Church in America, Needmor Fund and Christopher Reynolds Foundation*

RESOLVED: Shareholders request that the Board of Directors issue a sustainability report describing the company’s ESG performance and goals, along with specific information on greenhouse gas emissions and management plans for their reduction. The report will be prepared at reasonable cost, omitting proprietary information to be available to investors, by November 1, 2010.

**Coal Mining**

**INTERNATIONAL COAL GROUP, INC. (2010-05-19)**

**#3 "Global Warming" (Shareholder Support: 17.7%)**

*Filed by: NYC Pension Funds*

RESOLVED: The proposal requests a report [reviewed by a board committee of independent directors] on how the company is responding to rising regulatory and public pressure to significantly reduce greenhouse gas emissions from the company’s operations and from the use of its primary products. Such a report will omit proprietary information, be prepared at reasonable cost, and be available to shareholders by September 1, 2010.

**MASSEY ENERGY CO (2010-05-18)**

**#4 "Greenhouse Gas Emissions Reduction" (Shareholder Support: 53.1%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the company’s products and operations; and that the company report to shareholders by September 30, 2010 on its plans to achieve these goals.

**Electric Power**

**CMS ENERGY CORP (2010-05-21)**

**#1 "Greenhouse Gas Emissions Goals and Report" (Shareholder Support: 35.1%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company’s products and operations; and that the company report to shareholders by September 30, 2010, on its plans to achieve these goals.

**DYNEGY INC. (2010-05-21)**

**#7 "Greenhouse Gas Emissions Reduction" (Shareholder Support: 16.1%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from Dynegy's products and operations, and that Dynegy report to shareholders by September 30, 2010 on its plans to achieve these goals.

**MIRANT CORP (2010-05-06)**

**#5 "Adopt Quantitative Goals for Reducing GHG Emissions" (Shareholder Support: 38.2%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the company's products and operations, and that the Company report to shareholders by September 30, 2010 on its plans to achieve these goals.

**SOUTHERN CO (2010-05-26)**

**#6 "Climate Change Environmental Report" (Shareholder Support: 9.9%)**

*Filed by: Sisters of Charity of Saint Elizabeth, American Baptist Home Mission Societies; Benedictine Sisters Charitable Trust, Benedictine Sisters of Virginia, Board of Pensions of the Evangelical Lutheran Church in America, Calvert Asset Management Company, Catholic Health East, Catholic Healthcare Partners; Connecticut Retirement Plans and Trust Funds, Providence Trust, and Sisters of St. Dominic of Caldwell New Jersey*

RESOLVED: Shareholders request that the Board of Directors report to shareholders actions the company would need to take to reduce total CO2 emissions, including quantitative goals for existing and proposed plants based on current and emerging technologies by September 30, 2010. Such report shall omit proprietary information and be prepared at reasonable cost.

**SOUTHERN CO (2010-05-26)**

**#7 "Coal Combustion Byproducts Environmental Report" (Shareholder Support: 21.0%)**

*Filed by: Green Century Capital Management, Inc.*

RESOLVED: Shareholders request that the Board of Directors prepare a report on the company's efforts, above and beyond current compliance, to reduce environmental and health hazards associated with coal combustion waste, and how those efforts may reduce legal, reputational and other risks to the company's finances and operations.

## **Electronic Equipment Manufacturing**

**APPLE INC (2010-02-25)**

**#6 "Sustainability Report" (Shareholder Support: 8.6%)**

*Filed by: As you Sow; Calvert Asset Management*

RESOLVED: Shareholders request that the Board of Directors prepare a sustainability report describing corporate strategies regarding climate change, specifically to reduce greenhouse gas emissions and address other environmental and social impacts such as toxics, recycling and employee and product safety. The report, prepared at reasonable cost and omitting proprietary information, should be published by July 2010.

**BARD C R INC /NJ/ (2010-04-21)**

**#4 "Sustainability Reporting on ESG Business Practices" (Shareholder Support: 32.4%)**

*Filed by: Walden Asset Management*

RESOLVED: Shareholders request that the Board of Directors issue a sustainability report describing the company's ESG performance and goals, including greenhouse gas emissions data and management plans to reduce them, prepared at reasonable cost, and omitting proprietary information, available to shareholders by October 1, 2010.

**ST JUDE MEDICAL INC (2010-05-07)**

**#3 " Sustainability Report " (Shareholder Support: 42.8%)**

*Filed by: Walden Asset Management*

RESOLVED: Shareholders request that the Board of Directors issue a sustainability report describing the company's ESG performance and goals, prepared at reasonable cost, and omitting proprietary information, by September 1, 2010.

**Financial Institutions**

**SUNTRUST BANKS INC (2010-04-27)**

**#5 "Report on Environmental and Social Impacts" (Shareholder Support: 27.5%)**

*Filed by: Unitarian Universalist Association of Congregations*

RESOLVED: Shareholders request that the Board of Directors prepare a sustainability report describing strategies to address the environmental and social impacts of SunTrust's business, including strategies to address climate change. The report, prepared at reasonable cost and omitting proprietary information, should be published within six months of SunTrust's 2010 annual meeting.

**Forestry/ Paper**

**RR DONNELLEY & SONS CO (2010-05-20)**

**#3 "Develop Sustainable Paper Purchasing Policy" (Shareholder Support: 10.0%)**

*Filed by: Domini Social Investments and First Affirmative Financial Network, LLC*

RESOLVED: Shareholders request the Board to develop a sustainable paper purchasing policy, at reasonable cost and omitting proprietary information, by November 30, 2010, including plans for implementing the policy and reporting progress.

**Home Builders / Real Estate Investment Trusts/ Retail**

**BOSTON PROPERTIES INC (2010-05-18)**

**#4 "Sustainability Report" (Shareholder Support: 44.1%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors prepare a sustainability report describing corporate strategies to reduce greenhouse gas emissions and addressing other environmental and social impacts such as water and waste management, and employee and community relations. The report, prepared at reasonable cost and omitting proprietary information, should be published by December 2010.

**FEDERAL REALTY INVESTMENT TRUST (2010-05-04)**

**#4 "Social and Environmental Sustainability Report" (Shareholder Support: 44.6%)**

*Filed by: Massachusetts Laborers' Pension Fund*

Resolved: Shareholders request that the Board of Directors prepare a sustainability report describing corporate strategies to reduce greenhouse gas emissions and addressing other environmental and social impacts such as water and waste management, and employee and community relations. The report, prepared at reasonable cost and omitting proprietary information, should be published by December 2010.

**KROGER CO (2010-06-24)**

**#4 "Report on Climate Change" (Shareholder Support: 40.7%)**

*Filed by: Calvert Investments*

RESOLVED: Shareholders request that within six months of the 2010 annual meeting, the Board of Directors provide a report to shareholders, prepared at reasonable cost and omitting proprietary information, describing how the company will assess and manage the impacts of climate change on the corporation, with specific regard to its supply chain, and plans to disclose such information through public reporting mechanisms.

**LAS VEGAS SANDS CORP (2010-06-03)**

**#3 "Sustainability Report" (Shareholder Support: 10.5%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors prepare a sustainability report including strategies to reduce greenhouse gas emissions and addressing other environmental and social impacts. The report, prepared at reasonable cost and omitting proprietary information, should be published by June 2011.

**LAYNE CHRISTENSEN CO (2010-06-03)**

**#3 "Sustainability Report" (Shareholder Support: 60.3%)**

*Filed by: Walden Asset Management*

RESOLVED: Shareholders request that the Board of Directors issue a sustainability report describing the company's ESG performance and goals, along with sustainable water management and greenhouse gas emissions and management plans for its reduction. The report will be prepared at reasonable cost and omit proprietary information, to be available to investors by November 1, 2010.

**LENNAR CORP /NEW/ (2010-04-14)**

**#3 "Company's Building Practices" (Shareholder Support: 8.9%)**

*Filed by: Nathan Cummings Foundation and Central Laborers' Pension Fund*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on available technologies, for reducing total greenhouse gas emissions from the company's products and operations and report to shareholders by December 31, 2010 on its plans to achieve these goals.

**MGM MIRAGE (2009-08-04)**

**#3 "Sustainability Report" (Shareholder Support: 22.5%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders, by June 30, 2010, at reasonable cost and omitting proprietary information, on the Company's sustainability policies and performance, including multiple, objective statistical indicators.

**MGM MIRAGE (2010-06-15)**

**#4 "Sustainability Report" (Shareholder Support: 21.2%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors prepare a sustainability report including strategies to reduce greenhouse gas emissions and addressing other environmental and social impacts. The report, prepared at reasonable cost and omitting proprietary information, should be published by June 2010.

**RYLAND GROUP INC (2010-04-28)**

**#2 "Greenhouse Gas Emissions" (Shareholder Support: 37.4%)**

*Filed by: Nathan Cummings Foundation*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on available technologies, for reducing total greenhouse gas emissions from the Company's products and operations and report to shareholders by December 31, 2010 on its plans to achieve these goals.

**SAFEWAY INC (2010-05-19)**

**#5 "Principles about Global Warming" (Shareholder Support: 7.8%)**

*Filed by: AFL-CIO Reserve Fund*

RESOLVED: The Shareholders of Safeway Inc. (the Company) urge the Board of Directors to adopt principles for national and international action to stop global warming, based upon the following six principles: 1. Reduce emissions to levels guided by science to avoid dangerous global warming. 2. Set short- and long-term emissions targets that are certain and enforceable, with periodic review of the climate science and adjustments to targets and policies as necessary to meet emissions reduction targets. 3. Ensure that states and localities continue their pioneering efforts to address global warming. 4. Establish a transparent and accountable market-based system that efficiently reduces carbon emissions. 5. Use revenues from the carbon market to: • Keep consumers whole as our nation transitions to clean energy; • Invest in clean energy technologies and energy efficiency measures; • Assist states, localities and tribes in addressing and adapting to global warming impacts; • Assist workers, businesses and communities, including manufacturing states, in a just transition to a clean energy economy; • Support efforts to conserve wildlife and natural systems threatened by global warming; and • Work with the international community, including business, labor and faith leaders, to provide support to developing nations in responding and adapting to global warming. In addition to other benefits, these actions will help avoid the threats to international stability and national security posed by global warming. 6. Ensure a level global playing field by providing incentives for emission reductions and effective deterrents so that countries contribute their fair share to the international effort to combat global warming.

**STANDARD PACIFIC CORP /DE/ (2010-05-12)**

**#4 "Adoption of Quantitative Greenhouse Gas Emissions Goals" (Shareholder Support: 17.4%)**

*Filed by: Nathan Cummings Foundation and the General Board of Pension and Health Benefits of The United Methodist Church*

Resolved: Shareholders request that the Board of Directors adopt quantitative goals, based upon available technologies, for reducing greenhouse gas emissions from the Company's products and operations and report to shareholders by December 31, 2010 on the plan to achieve these goals.

### **TOLL BROTHERS INC (2010-03-17)**

#### **#7 "Adopt Quantitative Goals for GHG Emissions Reduction" (Shareholder Support: 29.3%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on available technologies, for reducing total greenhouse gas emissions from the Company's products and operations and report to shareholders by December 31, 2010, on its plans to achieve these goals.

## **Oil & Gas**

### **CHESAPEAKE ENERGY CORP (2010-06-11)**

#### **#9 " Sustainability Report" (Shareholder Support: 31.5%)**

*Filed by: California State Teachers' Retirement System*

RESOLVED: Shareholders request that the Board of Directors issue a sustainability report describing the company's short- and long-term responses to ESG-related issues, including greenhouse gas emissions data and plans to manage emissions.

### **CHEVRON CORP (2010-05-26)**

#### **#8 "Financial Risks from Climate Change" (Shareholder Support: 8.6%)**

*Filed by: Christopher Reynolds Foundation*

RESOLVED: Investors request Chevron's Board of Directors to prepare a report to shareowners on the financial risks resulting from climate change and its impacts on shareowner value over time, as well as actions the Board deems necessary to provide long-term protection of our business interests and shareowner value. The Board shall decide the parameters of the study and summary report. A summary report will be made available to investors by September 15, 2010. Cost of preparation will be kept within reasonable limits and proprietary information omitted. We suggest the report consider the following issues in its analysis: • Emissions management; • Physical risks of climate change on our business and operations (e.g. the impact of rising sea levels on drilling operations and refineries, including the supply chain); • U.S. and global regulatory risks of legislative proposals on carbon taxes and cap and trade; • Material risks with respect to climate change; • Reputation, brand and legal risk; • Positive business opportunities.

### **CONOCOPHILLIPS (2010-05-12)**

#### **#4 "Greenhouse Gas Reduction" (Shareholder Support: 25.6%)**

*Filed by: Board of Pensions of the Presbyterian Church (USA)*

Resolved: shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company's products and operations; and that the Company report (omitting proprietary information and prepared at reasonable cost) to shareholders by September 30, 2010, on its plan to achieve these goals.

### **CONOCOPHILLIPS (2010-05-12)**

#### **#7 "Financial Risks of Climate Change" (Shareholder Support: 7.5%)**

*Filed by: Needmor Fund*

Resolved: Investors request ConocoPhillips Board of Directors to prepare a report to shareowners on the financial risks resulting from climate change and its impacts on shareowner value over time, as well as actions the Board deems necessary to provide long-term protection of our business interests and shareowner value. The Board shall decide the parameters of the study and summary report. A summary report will be made available to investors by September 15, 2010. Cost of preparation will be kept within reasonable limits and proprietary information omitted.

**EQT CORP (2010-04-21)**

**#4 "Sustainability Report/Climate Change Disclosure" (Shareholder Support: 37.5%)**

*Filed by: Matthew A. Roth and Harris and Frances Block Foundation, Inc.*

Resolved: Shareholders request that the Board of Directors issue a sustainability report describing the company's ESG performance and goals, along with specific information on greenhouse gas emissions and management plans for their reduction. The report will be prepared at reasonable cost, omitting proprietary information, to be available to investors by October 1, 2010.

**EXXON MOBIL CORP (2010-05-26)**

**#11 "Report on Energy Technology" (Shareholder Support: 6.7%)**

*Filed by: Province of St. Joseph of the Capuchin Order*

RESOLVED: Shareholders request ExxonMobil's Board of Directors to establish a Committee to study steps and report to shareholders within six months of the annual meeting (barring competitive information and disseminated at a reasonable expense), on how ExxonMobil, within a reasonable timeframe, can become the recognized industry leader in developing and making available the necessary technology (such as enhanced sequestration, engineered geothermal and the development of other renewable energy sources) to enable the U.S.A. to become energy independent in an environmentally sustainable way.

**EXXON MOBIL CORP (2010-05-26)**

**#12 "Greenhouse Gas Emissions Goals" (Shareholder Support: 27.2%)**

*Filed by: Sisters of St. Dominic of Caldwell*

RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company's products and operations; and that the Company report to shareholders by September 30, 2010, on its plans to achieve these goals.

**EXXON MOBIL CORP (2010-05-26)**

**#9 "Report on Canadian Oil Sands" (Shareholder Support: 26.4%)**

*Filed by: Green Century Capital Management*

RESOLVED: Shareholders request that the Board prepare a report discussing possible long term risks to the company's finances and operations posed by the environmental, social and economic challenges associated with the oil sands. The report should be prepared at reasonable cost, omit proprietary and legal strategy information, address risks other than those associated with or attributable to climate change, and be available to investors by August 2010.

**VALERO ENERGY CORP/TX (2010-04-29)**

**#5 "Report on Impact of Valero's Operations on Rainforest Sustainability" (Shareholder Support: 8.2%)**

*Filed by: NYC Pension Funds*

RESOLVED: Shareholders request that the company prepare a report on the impact of its global operations on rainforest sustainability. This report should be prepared at reasonable cost and omit proprietary information.

## **Resource Extraction**

### **MDU RESOURCES GROUP INC (2010-04-27)**

#### **#6 "Report on Coal Combustion Waste" (Shareholder Support: 40.5%)**

*Filed by: As You Sow*

RESOLVED: Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on the company's efforts, above and beyond legal compliance, to reduce environmental and health hazards associated with coal combustion waste ponds, impoundments and mines, and how those efforts reduce risks to the company's finance and operations. This report should be available to shareholders by August 2010.

## **Water Utilities**

### **AQUA AMERICA INC (2010-05-13)**

#### **#3 "Preparation and Publication of a Sustainability Report" (Shareholder Support: 31.6%)**

*Filed by: Calvert Social Index Fund*

RESOLVED: Shareholders request that the Board of Directors prepare a sustainability report describing corporate strategies to address climate change and other environmental and social impacts, such as greenhouse gas emissions, energy use, waste management, and employee and community relations. The report, prepared at a reasonable cost and omitting proprietary information, should be published by October 2010.