



# Shareholder Engagement

Rather than just passively screening out companies that are “bad” or investing in those that are a bit better, we also use shareholder advocacy to improve corporate behavior. As investors, we have not only an opportunity but also a responsibility to have a say in the running of the companies in which our clients own shares. As engaged shareholders, we have years of experience using our investor voices to hold companies accountable for their impacts on employees, stakeholders, communities, and ecosystems. Given the large social and environmental footprints of publicly traded corporations, our engagement with companies to help them improve can be especially impactful.

The first, most basic step of investing for impact through public equities is [conscientious proxy voting](#). We also regularly speak with the companies in our portfolios and try to move them forward on issues that we think are important. These company-specific risks and opportunities are identified during our [environmental, social, and governance \(ESG\)](#) analysis process.

If these sorts of dialogues fail to make progress, we can file shareholder resolutions to bring the issues to a vote among the company’s shareholders. Some of these resolutions have been successful and implemented by management while other proposals are more combative in nature. Some don’t receive strong support from other shareholders, but all resolutions have the effect of drawing attention to the issue within the company, with other shareholders, and potentially with the public.

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Many large institutional investors still vote in line with management’s recommendations by default, so it is difficult to win a majority vote in favor of a shareholder proposal. Nevertheless, many shareholder proposals that are focused on social or environmental issues are gaining support from other investors. Resolutions on the topics of climate change, sustainability reporting, and corporate political spending disclosures regularly garner 30–40% of votes. Escalating support among mainstream investors sends a strong message to companies that investors are focusing on these issues.

Because we believe in transparency, we report on our engagement activities in our quarterly letters, post relevant news on our website, engage in social media, and, on an annual basis, we provide an in-depth summary of our advocacy over the year. However, measuring the impact of this work is difficult because change is typically not the consequence of any one action. We are part of many collaborative, long-term efforts to create change, and often join forces with other investors and civil society groups to build support for our dialogues so that each investor’s input is amplified. Through our work, we hope to give power to other stakeholders, both within and outside of companies, to improve company behavior.

*See Disclosures on reverse.*



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