



committee  
on workers'  
capital

press release

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## Committee on Workers' Capital launches new report –Proxy Review 2011

The Global Unions Committee on Workers' Capital (CWC) announces the publication of its report: Proxy Review 2011. The report encourages investors to take an active role in proxy voting oversight.

Proxy Review identifies trend-setting shareholder votes on social, environmental and corporate governance issues that are relevant for pension investors with global equity portfolios. The report includes key votes from: Australia, Canada, Spain, Switzerland, the United Kingdom and United States of America.

Shareholder voting is one of the primary means by which investors can influence a company's operations. It is therefore important for shareholders to participate in the voting process. However, pension equity investments can span hundreds of companies and numerous countries. Add to this complexity, regulatory differences, conflict of interest problems, agency dilemmas and narrow interpretations of fiduciary duty, which all contribute to accountability gaps along the investment chains of pension funds. Recognizing these gaps, Proxy Review was created to serve as an accessible resource for pension trustees who would like to evaluate how key proxy votes in international portfolios were cast on their behalf.

Ken Georgetti, Chair of the CWC and President of the Canadian Labour Congress said, "At the height of the global financial crisis, institutional investors were accused of failing to actively oversee corporate governance and risk management practices at the companies they own. This report will help the pension fund trustees who invest workers' retirement savings overcome barriers in exercising such oversight. As our Proxy Review project demonstrates, creating the opportunity for dialogue between trustees and their investment managers is one important way the Committee on Workers' Capital is tackling serious accountability deficits within global investment chains."

The selected key votes in Proxy Review 2011 focus on corporate governance issues, though environmental and social issues are also highlighted. Among the issues addressed are the independence of Board members, CEO succession planning, executive remuneration and compensation, pay-ratio disclosure, sustainability reporting and disclosure of policies on labour and human rights standards.

These votes were cast at major global companies that represent a wide range of industry sectors. Companies include: Rio Tinto, Barrick Gold, Banco Santander, Nestlé, Credit Suisse, Novartis, UBS, BP, Hewlett Packard, Apple, Chevron, Shell, JP Morgan Chase and Bank of America.

The report closes with a set of recommendations on how to use the report as a proxy voting oversight tool. Typically, proxy vote results tend to coincide with management

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recommendations. In order to evaluate whether such votes comply with the standards set out by their respective pension funds, trustees are encouraged to review the rationale for each key vote recommendation.

Project partners included: Australian Council of Super Investors; Australian Council of Trade Unions; Shareholder Association for Research and Education – Canada; Québec Federation of Labour; American Federation of Labour and Congress of Industrial Organizations; Trades Union Congress – UK; Pensions Investment Research Consultants Ltd. UK; ETHOS Foundation, Switzerland; Euresa Institute, France and the Confederación Sindical de Comisiones Obreras – CCOO, The Workers’ Commission - Spain

Download the paper at: [www.workerscapital.org](http://www.workerscapital.org).

Priya Bala-Miller  
Program Manager

Global Unions Committee on Workers Capital (CWC)  
1200 – 1166 Alberni Street, Vancouver, BC V6E 3Z3  
Canada

T: +1.604.695.2026

F: +1.604.408.2525

W: [www.workerscapital.org](http://www.workerscapital.org)

## about the CWC

The Global Unions Committee on Workers’ Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers’ retirement savings. It is a joint initiative of the International Trade Union Confederation, The Global Unions Federation (GUFs) and the Trade Union Advisory Committee to the OECD (TUAC).