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Committee on Workers' Capital Launches Global Proxy Review 2012

The Global Unions Committee on Workers' Capital (CWC) announces the launch of Global Proxy Review 2012, a report and new interactive website that encourages investors to take an active role in proxy voting oversight for global equity portfolios.

What do Citigroup and Pacific Brands have in common? Both faced significant 'say-on-pay' shareholder votes against executive compensation in 2011-2012, and are widely held in global pension funds.

With a comprehensive report and a new interactive website (www.workerscapital.org/proxyreview), Global Proxy Review gives pension fund trustees and other responsible investors an overview of these and other key shareholder votes at companies likely to be held in global equity portfolios. This information can be used to hold fund managers and proxy voting services accountable for the votes cast on behalf of pensioners and investors.

The 2012 report includes 38 votes from eight different countries on environmental, social and governance (ESG) issues of particular importance to the labour movement. This year's votes are from Australia, Canada, the Netherlands, South Africa, Spain, Switzerland, the United Kingdom and the United States of America. They include votes at significant companies in over 20 sectors including: NewsCorporation, Enbridge, TNT Express, AngloAmerican, Banco Santander, Transocean, Barclay's and JP Morgan Chase.

More than a third of the votes selected for Global Proxy Review 2012 were 'say-on-pay' votes, reflecting a general trend in shareholder voting to address the issue of excessive executive pay. The votes also include significant social issues, such as risks associated with aboriginal opposition to a major oil pipeline, and governance issues such as board governance and shareholder rights.

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.

Launched last year with a pilot report, Global Proxy Review has expanded this year to include two new countries and an interactive website (www.workerscapital.org/proxyreview) where users can search key votes compiled since 2011. The project is a collaboration between the CWC and labour and responsible investment advocates from across the

globe. Partners include: Australian Council of Super Investors; Shareholder Association for Research and Education (Canada); Eumedion (Netherlands); Community Growth Fund and Labour Research Service (South Africa); the Confederación Sindical de Comisiones Obreras (Spain); ETHOS Foundation (Switzerland); Trades Union Congress and Pensions Investment Research Consultants Ltd (UK); and the American Federation of Labour and Congress of Industrial Organizations (US).

Search key votes and download the full report at: www.workerscapital.org/proxyreview

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about the CWC

The CWC is an international trade union network for the responsible investment of workers' capital. It is a joint initiative of the International Trade Union Confederation, Trade Union Advisory Committee to the OECD and Global Unions Federation.