

Roundtable B18: Shareholder Activism and Climate Risk

Discussion Leaders: Victor Silverman-Pomona College; David Boys-Public Services International; Don Kirshbaum, Connecticut State Treasurer's Office; Jonathan Tasini, Labor Research Association; Ariane Van Buren, Coalition for Environmentally Responsible Economies (CERES); Rita Bugzavich, IUE-CWA

Facilitator: Lowell Turner, Cornell ILR

PRESENTATIONS

Victor Silverman with Pomona College posed the question as to whether or not shareholder activism has actually been effective at influencing corporate behavior. Further querying his fellow panelists as to how shareholder resolutions can be applied to broader campaigns and what their projections for the future of these strategies are.

David Boys of the Public Services International explained the challenges faced by unions when they attempt shareholder activism within their own pension funds system. Drawing on experience from the **SEIU's Justice for Janitors** campaign, Mr. Boys offered examples of the obstacles often faced when mobilizing union trustees for the purposes of influencing the direction of investments, further emphasizing the importance of providing these trustees with the professional support necessary for dealing with fund managers.

Don Kirshbaum from the Connecticut State Treasurer's Office spoke of the implications of climate change in regards to its effect on the potential growth of long term investments of the various pension funds his office is presently party to. Several examples were given where shareholder resolutions pertaining to climate change were met with resistance from pension fund managers; in particular **Exxon-Mobile** which is the Connecticut State Treasurers Office's largest single investment at 300 million dollars has repeatedly failed to adhere to requests from the state to meet with its board for discussion of climate related proposals.

Ariane Van Buren with the Coalition for Environmentally Responsible Economies (CERES) addressed the formation of the **Investor Network on Climate Risk (INCR)** and its efforts to have climate change recognized as a financial issue in the United States. The INCR promotes shareholder engagement of companies, strategic investment with pressure applied to fund managers, and corporate disclosure, reporting that in the past year they successfully managed to propel shareholder resolutions on climate risk in fifty companies.

Rita Bugzavich of the IUE-CWA focused on the difficulties of pursuing the conscience of shareholders when the funds they are invested in are proving profitable despite any potential environmental or social harm that may stem from these investments.

DISCUSSION

In the latter half of this roundtable the successful efforts of the **SEIU** in bringing forth shareholder resolutions requesting strategic plans for climate change mitigation from the insurance, banking, gas and oil sectors were examined focusing on the importance of coalition building as an intricate element of the resolution process. Participants also expressed the necessity for public policy that enables shareholder activism with regards to climate issues as essential for meeting the social and environmental aspects as well as the financial challenges that lie ahead.